

ITEM 2. PROPERTIES (Major)

VAN WATERS & ROGERS INC.

<u>Location</u>	<u>Bldg. Area (Sq. Ft.)</u>	<u>Land Area (Acres)</u>	<u>Bldg. Construction</u>	<u>Function of facility</u>
Atlanta, GA	91,600	8.6	Concrete tilt-up panels	Wholesale distribution
Dallas, TX	130,000	9.8	Office: masonry Warehouse: tilt-up concrete walls	Wholesale distribution
Denver, CO	64,500	5.0	Brick & concrete	Wholesale distribution
Grand Junction, CO	43,400	6.3	Metal siding over steel framework	Wholesale distribution
Grand Prairie, TX	52,000	5.0	Office: brick & concrete Warehouse: tilt-up concrete	Wholesale distribution
Houston, TX	145,000	20.5	Office: concrete block Warehouse: concrete tilt-up panels	Wholesale distribution
Indianapolis, IN	72,000	8.8	Office: concrete block Warehouse: concrete tilt-up panels	Wholesale distribution
Kent, WA	105,000	11.7	Tilt-up concrete	Wholesale distribution
Los Angeles, CA (Bonnie Beach)	155,800	9.4	Two story office, one story warehouse, tilt-up walls, wood roof supported by steel columns and metal siding on steel supports	Wholesale distribution
Los Angeles, CA (Jillson Street)	139,372	7.0	Office: brick and concrete Warehouse: tilt-up concrete	Wholesale distribution

<u>Location</u>	<u>Bldg. Area (Sq. Ft.)</u>	<u>Land Area (Acres)</u>	<u>Bldg. Construction</u>	<u>Function of facility</u>
Portland, OR	73,650	9.6	Masonry	Wholesale distribution
San Jose, CA	121,500	14.6	Office: masonry Warehouse: tilt- up concrete	Wholesale distribution
St. Paul, MN	86,600	9.0	Warehouse: pre- cast insulated concrete panels Office: concrete with face brick	Wholesale distribution
Schaumburg, IL	54,519	2.8	Brick and mortar	Wholesale distribution
Spartanburg, SC	60,700	28.2	Cinder blocks and brick	Wholesale distribution

Other Properties (owned or leased):

Albany, NY	Fresno, CA	Oxnard, CA
Albuquerque, NM	Geismar, LA	Pasco, WA
Altoona, PA	Glendale (Phoenix), AZ	Philadelphia, PA
Anchorage, AK	Grand Rapids, MI	Phoenix, AZ
Appleton, WI	Greensboro, NC	Pittsburgh, PA
Augusta, GA	Greenville, NC	Pocatello, ID
Bakersfield, CA	Harlingen, TX	Reno, NV
Beaumont, TX	Harrisburg, PA	Richmond, VA
Bloomington, IL	Honolulu, HI	Riverside, CA
Boston, MA	Jacksonville, FL	Rock Springs, WY
Buffalo, NY	Kansas City, MO	Sacramento, CA
Burlington, IA	Kingsport, TX	Salt Lake City, UT
Carlin, NV	Knoxville, TN	San Antonio, TX
Casper, WY	Lafayette, LA	San Diego, CA
Charlotte, NC	Las Vegas, NV	Sioux City, IA
Chattanooga, TN	Little Rock AR	South Bend, IN
Chicago Hts., IL	Longview, TX	Spokane, WA
Chippewa Falls, WI	Louisville, KY	Springfield, MO
Cincinnati, OH	Medley, FL	St. Louis, MO
Cleveland, OH	Memphis, TN	Tampa, FL
Columbus, OH	Milwaukee, WI	Tampa (PCS), FL
Corpus Christi, TX	Mobile, AL	Toledo, OH
Delray Beach, FL	Nampa, ID	Tucson, AZ
Detroit, MI	Nashville, TN	Tulsa, OK
El Paso, TX	New Orleans, LA	Wichita (Mead), KS
Eugene, OR	Odessa, TX	Wichita (Mosley), KS
Farmington, NM	Oklahoma City, OK	Williston, ND
Fayetteville, AR	Omaha, NE	Woodbridge, NJ
Fort Wayne, IN	Orlando, FL	

These properties consist mainly of industrial warehouses and related office space.

ITEM 2. PROPERTIES (Major) (Continued)

VAN WATERS & ROGERS LTD.

<u>Location</u>	<u>Bldg. Area (Sq. Ft.)</u>	<u>Land Area (Acres)</u>	<u>Bldg. Construction</u>	<u>Function of facility</u>
Calgary, Alberta, Canada	58,000	4.6	Concrete blocks and insulated steel construction	Wholesale distribution
Edmonton, Alberta, Canada	58,000	5.6	Steel framed masonry construction	Wholesale distribution
Richmond, British Columbia, Canada	93,000	8.7	Tilt-up concrete	Wholesale distribution
Valleyfield, Quebec, Canada	79,500	23.9	Steel framed brick construction	Wholesale distribution
Toronto, Ontario, Canada	120,000	11.3	Precast concrete	Wholesale distribution

Other Properties (owned or leased):

Abbotsford, British Columbia, Canada
Montreal, Quebec, Canada
Windsor, Ontario, Canada

These facilities consist mainly of industrial warehouses and related office space.

EXECUTIVE OFFICERS OF THE REGISTRANT

<u>Name</u>	<u>Age</u>	<u>Business Experience Past Five Years (2)</u>	<u>Position Held</u>
James H. Wiborg (1) Chairman and Chief Strategist Director	62	Chairman and Chief Strategist of Registrant Chairman and Chief Executive Officer of Registrant President and Chief Executive Officer of Registrant	1986 - 1983 - 1986 1966 - 1983
James W. Bernard President and Chief Executive Officer Director	49	President and Chief Executive Officer of Registrant President and Chief Operating Officer of Registrant Executive Vice President of Registrant Senior Vice President of Registrant Vice President of Registrant President, VWR Scientific Inc.	1986 - 1986 - 1986 1983 - 1986 1982 - 1983 1975 - 1982 1974 - 1983
N. Stewart Rogers (1) Senior Vice President-Finance	57	Senior Vice President of Registrant	1971 -
Albert C. McNeight Vice President President, Van Waters & Rogers Ltd.	55	Vice President of Registrant President, Van Waters & Roger Ltd. Executive Vice President, Van Waters & Rogers Ltd. Regional Vice President - Sales & Marketing, Van Waters & Rogers Ltd	1985 - 1985 - 1984 - 1985 1974 - 1984
Robert A. Steinselfer Vice President President, Van Waters & Rogers Inc.	59	Vice President of Registrant President, Van Waters & Rogers Inc. Executive Vice President, Chemical Division, Van Waters & Rogers Div.	1984 - 1984 - 1980 - 1984
Guenter Zimmer Vice President, Engineering	58	Vice President of Registrant Director, Corporate Engineering of Registrant	1984 - 1973 - 1984
Dick A. Davis Vice President, Environmental Affairs	48	Vice President of Registrant Vice President, Operations & Materials Management, McKesson Chemical Co. Vice President, Materials Management McKesson Chemical Co.	1986 - 1983 - 1986 1979 - 1983
David C. Gentry Vice President, Human Resources	46	Vice President of Registrant Vice President Human Resources, Van Waters & Rogers Division of Registrant Personnel Manager, Van Waters & Rogers Division of Registrant	1986 - 1984 - 1986 1973 - 1984

<u>Name</u>	<u>Age</u>	<u>Business Experience Past Five Years (2)</u>	<u>Position Held</u>
Barry C. Maulding	41	Corporate Secretary of Registrant	1986 -
Corporate Secretary and		Director, Legal Services of Registrant	1984 -
Director, Legal Services		General Counsel and Assistant Secretary, Alaska Airlines, Inc.	1975 - 1984
Gary E. Pruitt	37	Treasurer of Registrant	1987 -
Treasurer & Asst. Secretary		Assistant Treasurer of Registrant	1981 - 1987

(1) Family Relationships: Robert S. Rogers, a Director, is the brother of N. Stewart Rogers. Robert S. Rogers and N. Stewart Rogers are brothers-in-law of James H. Wiborg.

(2) No arrangement or understanding exists between any officer and any other person pursuant to which he was selected as an officer.

ITEM 3. LEGAL PROCEEDINGS

The Corporation is involved in various contractual, warranty and public liability cases and claims which are considered normal to the Corporation's business. The liabilities for injuries to persons or property are generally covered by liability insurance and the deductible portion of the liabilities, where applicable, have been accrued in these financial statements.

Divisions of Univar and a former subsidiary have been named as "potentially responsible parties" relative to cleanup costs associated with fifteen independent waste disposal or waste recycling sites which are the subject of separate investigations or proceedings concerning alleged soil and/or groundwater pollution. On many of these sites the Corporation could technically be liable for the total costs of cleanup under the principle of joint and several liability. However, with respect to each site numerous other companies are similarly identified and as a practical matter most of them will share in the clean up costs. In all of these cases, the Corporation is a "small generator," and the Corporation's volume of waste delivered to the disposal sites represents less than 1% of the total wastes at each site.

The Corporation is also a defendant in a lawsuit filed by UGI Corporation, which leases an industrial chemical distribution facility in Albuquerque, New Mexico to the Corporation. The suit alleges the operations of the Corporation have caused soil and/or groundwater pollution on the site. UGI and the Corporation have entered into an agreement to share the cost of an investigation. No agreement has been reached on the sharing of ultimate cleanup cost. This site is also part of a government investigation concerning alleged groundwater pollution in the South Valley Albuquerque area. Several other companies are also involved in this investigation.

Seven sites owned by Van Waters & Rogers Inc. are the subject of separate governmental proceedings or investigations concerning alleged soil and/or groundwater contamination.

While the results of the proceedings and claims against the Corporation are not presently determinable, management believes that the amount of losses that might be sustained from these cases is not likely to materially affect the Corporation's financial position or operations in the future.

Liability insurance which would respond to claims arising out of pollution is not now practically available. Accordingly, other than a large deductible policy covering liabilities from sudden and accidental pollution incidents, the Corporation does not now have environmental impairment liability insurance but has provided reserves to cover estimated remedial costs.

A note in the principal amount of \$10,100,000 plus accrued interest, related to a July 1984 sale by the Corporation of a former facility of certain properties, went into default in May 1986. The Corporation had previously sold the note with recourse. Upon default the Corporation collected \$3,750,000 by calling upon a letter of credit provided as security by the purchasers. In December 1986, the Corporation foreclosed on its deed of trust and repurchased the property at the foreclosure sale that it had originally sold in July 1984.

The purchasers and the bank which issued the letter of credit are now making various claims for damages or rescission, or for preferential rights to the proceeds of the December 1986 foreclosure sale of the property. Management believes that these claims are without merit and that the collateral values will allow the Corporation to liquidate the investment without loss.

The Corporation has initiated an arbitration proceeding regarding the final purchase price for McKesson Chemical Co. See Note 11 to the Annual Report.

ITEM 4. SUBMISSION OF MATTER TO A VOTE OF SECURITY HOLDERS

None during the fourth quarter of the fiscal year covered by this report.

PART II.

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Page 10 and the inside back cover of the Univar Corporation Annual Report to Shareholders for the year ended February 28, 1987 are incorporated herein by reference.

As of February 28, 1987, there were 3,027 shareholders of record.

ITEM 6. SELECTED FINANCIAL DATA

Page 31 of the Univar Corporation Annual Report to Shareholders for the year ended February 28, 1987 is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Pages 4 through 13 of the Univar Corporation Annual Report to Shareholders for the year ended February 28, 1987 are incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Pages 14 through 31 of the Univar Corporation Annual Report to Shareholders for the year ended February 28, 1987 are incorporated herein by reference.

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEMS 10. DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT AND EXECUTIVE AND 11. COMPENSATION

The information required by these items is incorporated by reference to the Company's definitive Proxy Statement which the Company will have filed with the Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year.

Information regarding executive officers of the Company is included in Part I of this Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by Item 12 is incorporated by reference to the Company's definitive Proxy Statement which the Company will have filed with the Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 13 is incorporated by reference to the Company's definitive Proxy Statement which the Company will have filed with the Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year.

PART IV.

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) Financial Statements

As noted in Part II, Item 8, the following financial statements have been incorporated by reference from the Company's Annual Report for the year ended February 28, 1987.

Annual Report

Consolidated Statements of Income	Page 14
Consolidated Statements of Changes in Financial Position	Page 15
Consolidated Balance Sheets	Pages 16 and 17
Consolidated Statements of Shareholders' Equity	Page 18
Notes to Consolidated Financial Statements	Pages 19 through 29
Report of Independent Public Accountants	Page 30

(2) Financial Schedules

(a) Quarterly Financial Information (Unaudited) is incorporated herein by reference from the Company's Annual Report for the year ended February 28, 1987. This data is shown in Note 4 on page 22 of the Annual Report.

(b) The following financial schedules are submitted herewith. All other financial schedules are either not applicable or are fully disclosed in the applicable section of the Corporation's Annual Report:

Schedule	II	Contracts Receivable From Related Parties and Employees
Schedule	V	Property, Plant and Equipment
Schedule	VI	Accumulated Depreciation and Amortization of Property, Plant and Equipment
Schedule	VIII	Valuation and Qualifying Accounts
Schedule	IX	Short-Term Borrowings

Report of Independent Public Accountants
Arthur Andersen & Co. dated May 20, 1987.

Auditors' Report of Touche Ross & Co. dated April 9, 1987.

(b) Reports on Form 8-K

Form 8-K as of October 31, 1986 was filed November 14, 1986 to report the acquisition of McKesson Chemical Company. Form 8 Amendment to this 8-K filing was filed on January 13, 1987.

(c) Exhibits

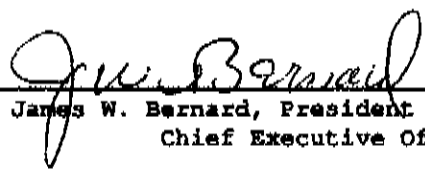
The required exhibits are included at the back of the registration statement and are described in the Exhibit Index immediately preceding the first exhibit.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

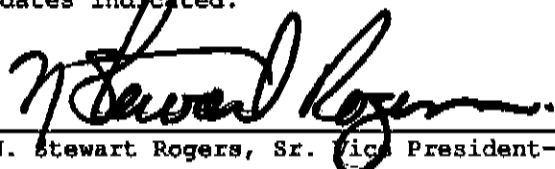
UNIVAR CORPORATION

Date June 8, 1987

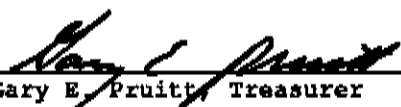

James W. Bernard, President and
Chief Executive Officer

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Date June 8, 1987



N. Stewart Rogers, Sr. Vice President-
Finance

Date June 8, 1987


Gary E. Pruitt, Treasurer

DIRECTORS

James W. Bernard
H. P. H. Crijns
Richard E. Engebrecht
M. M. Harris
Mark W. Hooper
Curtis P. Lindley
Robert S. Rogers
Andrew V. Smith
William K. Street
Nico van der Vorm
G. Verhagen
James H. Wiborg
Lowry Wyatt

By 
Barry C. Maulding, Attorney-in-Fact
Power of Attorney dated April 24, 1987

Date June 8, 1987

SCHEDULE II - CONTRACTS RECEIVABLE FROM RELATED PARTIES AND EMPLOYEES

UNIVAR CORPORATION AND SUBSIDIARIES

FOR THE YEARS ENDED FEBRUARY 28, 1987, 1986, and 1985

Description and Name	Balance at February 28, 1985		Additions	Payments	Balance at February 28, 1986		Additions	Payments	Balance at February 28, 1987		
	Current	Noncurrent			Current	Noncurrent			Current	Noncurrent	
Employee Stock Purchase Plan - Contracts receivable, payable quarterly over three years through 1982 and seven annual installments thereafter, commencing in 1984; interest at 6% secured by stock of the Corporation:											
James H. Wörp	\$ 46,250	\$ 221,250	\$ -	\$ 46,250	\$ 46,250	\$ 185,000	\$ -	\$ 46,250	\$ 46,250	\$ 138,750	
Richard E. Engelbrecht	27,750	138,750	-	27,750	27,750	111,000	-	27,750	27,750	83,250	
Curtis P. Lindley	27,750	138,750	-	27,750	27,750	111,000	-	27,750	27,750	83,250	
N. Stewart Rogers	24,050	120,250	-	24,050	24,050	96,200	-	24,050	24,050	72,100	
James W. Bernard	18,500	92,500	-	18,500	18,500	74,000	-	18,500	18,500	55,500	
Robert A. Steinsieffer	12,950	64,750	-	12,950	12,950	51,800	-	12,950	12,950	38,850	
	<u>\$ 157,250</u>	<u>\$ 786,250</u>	<u>\$ -</u>	<u>\$ 157,250</u>	<u>\$ 157,250</u>	<u>\$ 628,000</u>	<u>\$ -</u>	<u>\$ 157,250</u>	<u>\$ 157,250</u>	<u>\$ 471,750</u>	
Employee Stock Purchase Plan - Contracts receivable, payable quarterly over three years through 1988 and seven annual installments thereafter, commencing in 1989; interest at 9% secured by stock of the Corporation:											
Jerald B. Harris	\$ 33,120	\$ 296,080	\$ -	\$ 36,617	\$ 33,120	\$ 261,463	\$ -	\$ 198,623	\$ 33,120	\$ 101,840	
Erind G. Lange	11,662	104,328	-	12,818	11,562	81,512	-	103,104	-	-	
Robert A. Steinsieffer	9,336	89,424	-	10,965	9,096	78,436	-	8,867	9,936	68,962	
	<u>\$ 54,118</u>	<u>\$ 490,832</u>	<u>\$ -</u>	<u>\$ 60,410</u>	<u>\$ 54,648</u>	<u>\$ 421,411</u>	<u>\$ -</u>	<u>\$ 210,594</u>	<u>\$ 43,056</u>	<u>\$ 170,802</u>	
Real Estate Contract Receivable - Robert A. and Lois Conachan Steinsieffer; payable at 1/3 of of Mr. Steinsieffer's annual bonus applied first to accrued interest and then to unpaid principal; interest at 9%; unpaid principal due in 1986; secured by a deed of trust on real property.											
	\$ 15,000	\$ 100,101	\$ -	\$ 2,547	\$ 15,000	\$ 97,554	\$ -	\$ 112,554	\$ -	\$ -	

BR001211

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT

UNIVAR CORPORATION AND SUBSIDIARIES

FOR THE YEARS ENDED FEBRUARY 28, 1987, 1986, and 1985
(Thousands of Dollars)

Classification	Balance at Beginning of Year	Additions		Retirements	Other Changes - Add (Deduct) - Describe		Balance at End of Year
		Additions at Cost	Assets of Company Acquired		Translation Adj. (1)	Other	
Year ended February 28, 1987:							
Land	\$ 7,392	\$ -	\$ 6,529	\$ (276)	\$ 101	\$ -	\$ 14,146
Buildings	30,724	434	21,010	(107)	434	33 (2)	52,528
Equipment	37,000	6,288	40,634	(1,692)	539	264 (2)	83,173
Leased property under capital leases	3,989	-	3,504	-	-	-	7,493
Construction in progress	1,553	8,985	970	-	-	(427)	8,081
	<u>\$ 80,658</u>	<u>\$ 12,727</u>	<u>\$ 73,047</u>	<u>\$ (2,075)</u>	<u>\$ 1,074</u>	<u>\$ -</u>	<u>\$ 106,431</u>
Year ended February 28, 1986:							
Land	\$ 6,304	\$ -	\$ -	\$ (40)	\$ (47)	\$ 1,175 (2)	\$ 7,392
Buildings	23,920	75	-	(213)	(203)	7,213 (2)	30,724
Equipment	31,268	3,636	-	(1,721)	(259)	4,228 (2)	37,000
Leased property under capital leases	3,989	-	-	-	-	(144) (3)	3,989
Construction in progress	7,800	6,717	-	-	-	(12,595) (4)	1,553
	<u>\$ 73,281</u>	<u>\$ 10,428</u>	<u>\$ -</u>	<u>\$ (1,974)</u>	<u>\$ (508)</u>	<u>\$ (568)</u>	<u>\$ 80,658</u>
Year ended February 28, 1985:							
Land	\$ 6,527	\$ 368	\$ -	\$ (481)	\$ (160)	\$ -	\$ 6,304
Buildings	23,899	28	-	(1,260)	(587)	2,072 (2)	23,920
Equipment	28,670	3,954	-	(1,577)	(674)	983 (2)	31,268
Leased property under capital leases	3,989	-	-	-	-	-	3,989
Construction in progress	775	10,082	-	-	-	(3,067)	7,800
	<u>\$ 63,930</u>	<u>\$ 14,470</u>	<u>\$ -</u>	<u>\$ (3,298)</u>	<u>\$ (1,421)</u>	<u>\$ -</u>	<u>\$ 73,281</u>

(1) Foreign currency translation adjustments.

(2) Transfer from construction in progress.

(3) Assets transferred to VWR Corporation in spinoff.

(4) Reclassification to other asset accounts.

(5) The annual provisions for depreciation have been computed principally in accordance with the following depreciable lives:

Buildings	10 - 50 Years
Equipment	3 - 40 Years
Leased property under capital leases	Lesser of asset or lease life.

BR001212

SCHEDULE VI - ACCUMULATED DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

UNIVAR CORPORATION AND SUBSIDIARIES

FOR THE YEARS ENDED FEBRUARY 28, 1987, 1986, and 1985
(Thousands of Dollars)

Classification	Balance at Beginning of Year	Additions Charged to Expense	Retirements	Other Changes - Add (Deduct) - Describe		Balance at End of Year
				Translation Adj. (1)	Other	
Year ended February 28, 1987:						
Buildings	\$ 5,120	\$ 1,212	\$ (84)	\$ 112	\$ -	\$ 7,360
Equipment	14,550	6,750	(1,003)	281	-	20,578
Leased property under capital leases	855	222	-	-	-	877
	\$ 21,325	\$ 8,184	\$ (1,087)	\$ 393	\$ -	\$ 29,815
Year ended February 28, 1986:						
Buildings	\$ 5,462	\$ 969	\$ (149)	\$ (49)	\$ (12) (2)	\$ 6,120
Equipment	12,810	3,797	(1,969)	(133)	(55) (2)	14,560
Leased property under capital leases	478	179	-	-	-	657
	\$ 18,548	\$ 4,844	\$ (1,816)	\$ (182)	\$ (67)	\$ 21,325
Year ended February 28, 1985:						
Buildings	\$ 5,542	\$ 603	\$ (654)	\$ (110)	\$ -	\$ 5,462
Equipment	10,985	3,390	(1,407)	(359)	-	12,610
Leased property under capital leases	297	179	-	-	-	476
	\$ 16,824	\$ 4,282	\$ (2,061)	\$ (469)	\$ -	\$ 18,548

(1) Foreign currency translation adjustments.

(2) Assets transferred to VWR Corporation in spinoff.

BR001213

SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS

UNIVAR CORPORATION AND SUBSIDIARIES

FOR THE YEARS ENDING FEBRUARY 28, 1987, 1986, and 1985
(Thousands of Dollars)

Description	Balance at Beginning of Year	Additions		Deductions	Balance at End of Year
		Charged to Costs and Expenses	Charged to Other Accounts		
Allowance for losses for the year ended:					
February 28, 1987	\$ 1,200	\$ 1,302	\$ 561 (1)	\$ 1,477 (2)	\$ 1,586
	-----	-----	-----	-----	-----
February 28, 1986	\$ 1,016	\$ 1,580	\$ -	\$ 1,396 (2)	\$ 1,200
	-----	-----	-----	-----	-----
February 28, 1985	\$ 1,069	\$ 1,003	\$ -	\$ 1,056 (2)	\$ 1,016
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- (1) Reserves acquired in McKesson Chemical Company acquisition.
(2) Uncollectible accounts written off, net of recoveries.

BR001214

SCHEDULE IX - SHORT-TERM BORROWINGS

UNIVAR CORPORATION AND SUBSIDIARIES

FOR THE YEARS ENDED FEBRUARY 28, 1987, 1986, and 1985
(Thousands of Dollars)

Description	Balance at End of Period	Weighted Average Interest Rate	Maximum Amount Outstanding During the Period	Average Amount Outstanding During the Period (3)	Weighted Average Interest Rate During the Period (4)
Year ended February 28, 1987:					
Payable to Banks (1)	\$ 8,000	7.2%	\$ 15,200	\$ 6,460	6.3%
Commercial Paper (2)	\$ 25,000	6.5%	\$ 25,000	\$ 25,000	6.7%
Year ended February 28, 1986:					
Payable to Banks (1)	\$ 72	13.0%	\$ 28,500	\$ 16,777	9.0%
Commercial Paper (2)	\$ 25,000	8.8%	\$ 25,000	\$ 25,000	9.1%
Year ended February 28, 1985:					
Payable to Banks (1)	\$ 18,270	9.3%	\$ 39,600	\$ 24,682	11.1%
Commercial Paper (2)	\$ 25,000	8.8%	\$ 25,000	\$ 24,708	11.1%

- (1) Notes payable to bank represent borrowings under line of credit borrowing arrangements which have no termination date but are reviewed annually for renewal.
- (2) Commercial paper generally matures 30 - 60 days from date of issue with no provisions for the extension of its maturity.
- (3) The average amount outstanding during the period was computed by totalling the average outstanding borrowings for each month and dividing by 12.
- (4) The weighted average interest rate during the period was computed by dividing the actual interest expense by average short-term debt outstanding.

BR001215

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Univar Corporation:

In connection with our examinations of the consolidated financial statements included in Univar Corporation's annual report to shareholders and incorporated by reference in this Form 10-K, we have also examined the supplemental schedules listed in the accompanying index. We did not examine the financial statements or schedules of the Canadian subsidiary, which statements or schedules reflect total assets and revenues of approximately 12% and 18%, respectively, of the related consolidated totals. These statements and schedules were examined by other auditors whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for the subsidiary, is based solely upon the reports of the other auditors. Our examinations of the financial statements were made for the purpose of forming an opinion on those statements taken as a whole. The supplemental schedules are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These supplemental schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, based upon our examinations and the reports of other auditors referred to above, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Arthur Andersen & Co.

ARTHUR ANDERSEN & CO.

Seattle, Washington,

May 20, 1987.

AUDITORS' REPORT

The Shareholder,
Van Waters & Rogers Ltd.

We have examined the consolidated balance sheets of Van Waters & Rogers Ltd. as at February 28, 1987 and 1986, and the consolidated statements of income and retained earnings and changes in financial position for each of the three years in the period ended February 28, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at February 28, 1987 and 1986 and the results of its operations and the changes in its financial position for each of the three years in the period ended February 28, 1987, in accordance with generally accepted accounting principles applied on a consistent basis.

Touche Ross & Co.

Vancouver, Canada
April 9, 1987

Chartered Accountants

Exhibit Index

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PARENTS AND SUBSIDIARIES

As of March 1, 1987

There is no parent of the registrant.

The wholly-owned subsidiaries of the registrant are:

Van Waters & Rogers Inc.
incorporated in July, 1986 under the laws of the State of Washington.

Van Waters & Rogers Ltd.,
incorporated in August, 1950 under the laws of British Columbia,
Canada.

Guardsman Insurance Company Ltd.,
incorporated in December, 1978 under the laws of Bermuda.

In the consolidated financial statements, Guardsman Insurance Company Ltd.
is reported on the equity basis.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report incorporated by reference in this Form 10-K, into the Company's previously filed Registration Statement File No.'s 2-71255, 2-98329, 2-77963, 2-91280, 2-95818, 33-3933 and 33-8523.

Arthur Andersen & Co.

ARTHUR ANDERSEN & CO.

Seattle, Washington,
June 10, 1987.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

Univar Corporation.

As independent public accountants, we hereby consent to the incorporation by reference of our report dated, April 9, 1987, on the consolidated financial statements of Van Waters & Rogers Ltd. for the years ended February 28, 1987 and 1986 appearing in Univar Corporation's annual report to shareholders and incorporated by reference on Form-10K for the year ended February 28, 1987 to the Corporation's statement on Form S-8.


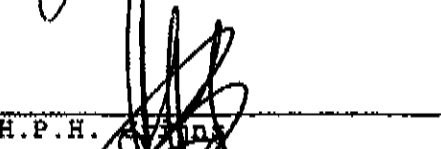
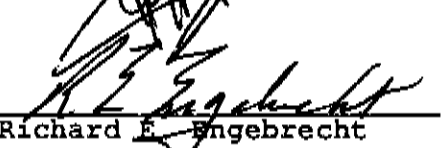
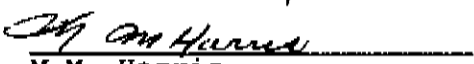
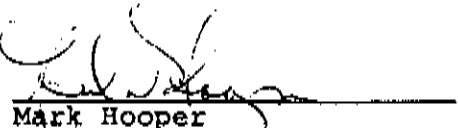
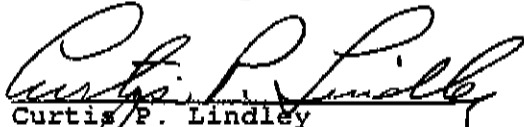




Vancouver, Canada
April 15, 1987

Chartered Accountants

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints N. Stewart Rogers and Barry C. Maulding, or either of them, his attorneys-in-fact, for him in any and all capacities, to sign the Annual Report Form 10-K of Univar Corporation for the fiscal year ended February 28, 1987, and to file same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

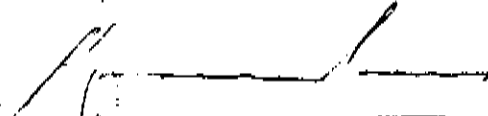
<u>Signature</u>	<u>Title</u>	<u>Date</u>
 James W. Bernard	Director	April 24, 1987
 H.P.H. [unclear]	Director	April 24, 1987
 Richard E. Engebrecht	Director	April 24, 1987
 M.M. Harris	Director	April 24, 1987
 Mark Hooper	Director	April 24, 1987
 Curtis P. Lindley	Director	April 24, 1987
 Robert S. Rogers	Director	April 24, 1987
 Andrew V. Smith	Director	April 24, 1987



William K. Street

Director

April 24, 1987



Nico van der Vorm

Director

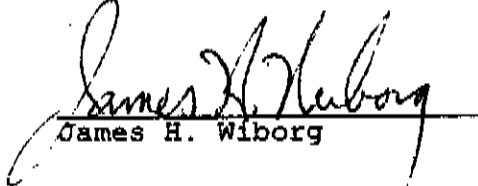
April 24, 1987



Gerrit Verhagen

Director

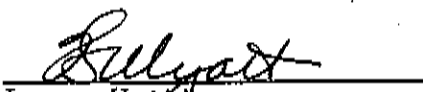
April 24, 1987



James H. Wiborg

Director

April 24, 1987



Lowry Wyatt

Director

April 24, 1987

To Be Incorporated By Reference Into Form S-8 Registration Statement No. 2-

UNDERTAKINGS

S-3: 33-08523

2-71255
2-77963
2-98329
2-91280
S-3: 33-3933
2-95818

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represents a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3 or Form S-8 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(f) *Employee plans on Form S-8.*

(1) The undersigned registrant hereby undertakes to deliver or cause to be delivered with the prospectus to each employee to whom the prospectus is sent or given a copy of the registrant's annual report to stockholders for its last fiscal year, unless such employee otherwise has received a copy of such report, in which case the registrant shall state in the prospectus that it will promptly furnish, without charge, a copy of such report on written request of the employee. If the last fiscal year of the registrant has ended within 120 days prior to the use of the prospectus, the annual report of the registrant for the preceding fiscal year may be so delivered, but within such 120 day period the annual report for the last fiscal year will be furnished to each such employee.

(2) The undersigned registrant hereby undertakes to transmit or cause to be transmitted to all employees participating in the plan who do not otherwise receive such material as stockholders of the registrant, at the time and in the manner such material is sent to its stockholders, copies of all reports, proxy statements and other communications distributed to its stockholders generally.

(3) Where interests in a plan are registered herewith, the undersigned registrant and plan hereby undertake to transmit or cause to be transmitted promptly, without charge, to any participant in the plan who makes a written request, a copy of the then latest annual report of the plan filed pursuant to section 15(d) of the Securities Exchange Act of 1934 (Form 11-K). If such report is filed separately on Form 11-K, such form shall be delivered upon written request. If such report is filed as a part of the registrant's annual report on Form 10-K, that entire report (excluding exhibits) shall be delivered upon written request. If such report is filed as a part of the registrant's annual report to stockholders delivered pursuant to paragraph (1) or (2) of this undertaking, additional delivery shall not be required.

(i) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20459

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended February 28, 1987

UNIVAR CORPORATION
STOCK PURCHASE PLAN

(Full Title of the Plan)

UNIVAR CORPORATION

(Name of issuer of the securities held pursuant to the plan)

1600 Norton Building
Seattle, Washington 98104

(Address of principal executive office)

ITEM 1. CHANGES IN THE PLAN

None

ITEM 2. CHANGES IN INVESTMENT POLICY

None

ITEM 3. CONTRIBUTIONS UNDER THE PLAN

The Company will make a basic monthly contribution in an amount equal to 20% of the amount subscribed by the participants in the Plan.

ITEM 4. PARTICIPATING EMPLOYEES

As of February 28, 1987, approximately 1,631 employees were eligible to participate in the Plan. Of this number, 134 eligible employees were enrolled in the Plan.

ITEM 5. ADMINISTRATION OF THE PLAN

The Plan is administered by the Compensation Committee of the Company's Board of Directors. This committee is composed of four nonemployee directors and one employee director appointed by the Board of Directors. Members of the Compensation Committee are appointed for one year at the pleasure of the Board of Directors. Members may be reappointed or removed by the Board of Directors. No compensation will be paid to the Compensation Committee nor to any employee from the assets of the Plan.

The Compensation Committee presently consists of the following directors:

James W. Bernard	1600 Norton Building Seattle, WA 98104
Robert S. Rogers	Suite 8130 12835 N.E. Bel-Red Road Bellevue, WA 98005
William K. Street	8323 Steilacoom Rd. S.E. Olympia, WA 98503
Gerrit Verhagen	Pakhoed Holding, N.V. 60-68 Boompjes 3011 XC Rotterdam The Netherlands
Lowry Wyatt, Chairman	Weyerhaeuser Company Tacoma, WA 98477

Name and address of the administrator of the Plan:

N. Stewart Rogers, Senior Vice President-Finance
Univar Corporation
1600 Norton Building
Seattle, WA 98104

ITEM 6. CUSTODIAN OF INVESTMENTS

There is no custodian of the securities purchased through the Plan. Shares purchased pursuant to the Plan may be held in "street name" by the broker for the account of a participant until such time as a participant requests certificates to be issued.

During the last fiscal year, Merrill Lynch, Pierce, Fenner & Smith, Inc. broker received compensation as brokerage commissions in the amount of approximately \$3,600.

ITEM 7. REPORTS TO PARTICIPATING EMPLOYEES

Each participant in the Plan will receive a quarterly statement from the broker confirming all transactions during the period and a confirmation of the investment of any dividends and of any sale of stock held for his account.

ITEM 8. INVESTMENT OF FUNDS

Only Univar Corporation common stock, par value of \$.33 1/3 per share may be purchased through this Plan. These shares are registered under Section 12 of the Securities Act of 1934.

ITEM 9. FINANCIAL STATEMENTS AND EXHIBITS

No funds are administered by the Company. The Plan has no financial statements. Reference is made to Form S-8, Registration Statement, File No. 2-77963 for a description of the Plan.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

UNIVAR CORPORATION STOCK PURCHASE PLAN

Date June 8, 1987

By 

N. Stewart Rogers
Senior Vice President Finance
Administrator of the Plan

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 11-K
ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended December 31, 1986

UNIVAR CORPORATION UNISAVER
TAX SAVINGS INVESTMENT PLAN

(Full title of the plan)

UNIVAR CORPORATION

(Name of issuer of the securities held pursuant to the plan)

1600 Norton Building
Seattle, Washington 98104

(Address of principal executive office)

ITEM 1. CHANGES IN THE PLAN

None

ITEM 2. CHANGES IN INVESTMENT POLICY

None

ITEM 3. CONTRIBUTIONS UNDER THE PLAN

A participant may contribute to the Plan a percentage from one percent (1%) to twelve percent (12%) of compensation.

The Company shall contribute to the Plan on behalf of each participant an amount equal to thirty percent (30%) of the participant's contribution up to maximum of six percent (6%) of participant's compensation for such period, provided, however, that such Company contribution shall not exceed one and eight-tenths percent (1.8%) of the participant's compensation.

ITEM 4. PARTICIPATING EMPLOYEES

There were 1,325 employees who were participants in the Plan as of December 31, 1986.

ITEM 5. ADMINISTRATION OF THE PLAN

(a) The following is a list of the names and addresses and positions or offices held with the Employer - Issuer of all persons who are members of the Committee which administers the Plan:

<u>Names and Address</u>	<u>Position or Offices Held with Employer - Issuer</u>
N. Stewart Rogers, Chairman 1600 Norton Building Seattle, WA 98104	Senior Vice President-Finance
David C. Gentry 1600 Norton Building Seattle, WA 98104	Vice President-Human Resources
Gary E. Pruitt 1600 Norton Building Seattle, WA 98104	Treasurer
Michele Streich 1600 Norton Building Seattle, WA 98104	Manager, Employee Benefits

(b) None of the members of the Committee received any compensation for services from the Plan during the Plan year ended December 31, 1986.

ITEM 6. CUSTODIAN OF INVESTMENTS

(a) Rainier National Bank, as Trustee acts as custodian of all securities and investments of the Plan. Rainier National Bank, a Washington banking corporation (located at 1301 - Fifth Avenue, Seattle, Washington 98101) offers various trust services to corporate and personal trust account customers.

(b) The total amount of compensation received from the Employer - Issuer for the fiscal year 1986 was \$26,500.

(c) The Rainier National Bank is covered by a banker's blanket bond in the amount of \$30,000,000.

ITEM 7. REPORTS TO PARTICIPATING EMPLOYEES

At the end of each quarter of the Plan year, each participant receives an individual participant statement disclosing the status of the participant's account (including the opening and closing totals, and a breakdown of withdrawals, contributions, and other allocations to or from the account).

ITEM 8. INVESTMENT OF FUNDS

(a)(1) The aggregate dollar amount of brokerage commissions paid by the Plan during the period January 1, 1986 through December 31, 1986 was none.

ITEM 9(a) FINANCIAL STATEMENTS

See attached.

ITEM 9(b) EXHIBITS FILED

None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

UNIVAR CORPORATION UNISAVER
TAX SAVINGS INVESTMENT PLAN

Date June 8, 1987

By  _____
N. Stewart Rogers
Chairman of Administrative Committee



UNIVAR CORPORATION UNISAVER TAX SAVINGS
INVESTMENT PLAN

Financial Statements

As of December 31, 1986 and 1985

Together with Auditors' Report

ARTHUR ANDERSEN & CO.
SEATTLE, WASHINGTON

To The Administrative Committee of the
Univar Corporation Unisaver Tax
Savings Investment Plan:

We have examined the statements of net assets available for plan benefits of the Univar Corporation Unisaver Tax Savings Investment Plan as of December 31, 1986 and 1985, and the related statements of changes in net assets available for plan benefits for the years ended December 31, 1986 and 1985 and for the period from inception (July 1, 1984) to December 31, 1984. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the net assets of the Plan as of December 31, 1986 and 1985 and the changes in its net assets for the years ended December 31, 1986 and 1985, and for the period from inception to December 31, 1984, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment and reportable transactions are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule of assets held for investment is also presented for purposes of complying with Securities and Exchange Commission Rules and Regulations. These schedules are not a required part of the basic financial statements. Such schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Seattle, Washington,
June 8, 1987.

Arthur Andersen & Co.

UNIVAC CORPORATION
UNIVERSAL TAX SAVINGS INVESTMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
AS OF DECEMBER 31, 1986 AND 1985

	<u>Univac</u> <u>Common Stock Fund</u>		<u>Low Risk Fund</u>		<u>Aggressive Fund</u>		<u>Total</u>	
	<u>1986</u>	<u>1985</u>	<u>1986</u>	<u>1985</u>	<u>1986</u>	<u>1985</u>	<u>1986</u>	<u>1985</u>
INVESTMENTS (Note 2)	\$1,050,987	\$1,716,446	\$684,203	\$1,112,522	\$1,212,403	\$1,621,801	\$2,947,675	\$4,450,769
INTEREST AND DIVIDENDS RECEIVABLE	118	410	6,273	21,852	207	800	8,598	23,062
CONTRIBUTIONS RECEIVABLE	44,869	46,618	74,632	42,432	66,436	52,424	205,957	141,474
DISTRIBUTIONS IN TRANSIT AND OTHER	(13,772)	(5,356)	(18,513)	(4,746)	(10,136)	(1,622)	(39,421)	(11,724)
Net assets available for plan benefits	<u>\$1,102,202</u>	<u>\$1,758,118</u>	<u>\$749,697</u>	<u>\$1,172,060</u>	<u>\$1,268,910</u>	<u>\$1,673,403</u>	<u>\$3,120,889</u>	<u>\$4,603,581</u>

The accompanying notes are an integral part of these statements.

BR001234

UNIVAR CORPORATION
UNISAVER TAX SAVINGS INVESTMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 1986 AND 1985 AND THE PERIOD FROM
INCEPTION (JULY 1, 1984) TO DECEMBER 31, 1984

	Univar Common Stock Fund			Low Risk Fund			Aggressive Fund			Total		
	1986	1985	1984	1986	1985	1984	1986	1985	1984	1986	1985	1984
INVESTMENT INCOME:												
Unrealized appreciation (depreciation) of investments (Note 2)	\$ (58,783)	\$ 420,513	\$ (1,509)	\$ (3,061)	\$ (11,718)	\$ -	\$ 29,584	\$ 235,041	\$ 6,734	\$ (32,260)	\$ 643,944	\$ 5,225
Interest	3,164	5,206	1,276	87,587	73,693	5,618	4,899	6,449	3,010	95,650	85,368	9,904
Dividends	38,585	34,047	2,188	-	-	-	-	-	-	34,585	34,047	2,188
Gain (loss) on sale of investments	(132,453)	-	-	(21,626)	(367)	2,108	2,575	(85)	-	(151,504)	(452)	2,108
Total investment income	(149,487)	459,866	1,955	62,900	61,616	7,718	37,058	241,425	9,744	(49,529)	762,907	19,417
CONTRIBUTIONS TO THE PLAN (Notes 1 and 7):												
Employee	369,334	434,704	192,605	589,250	821,103	377,832	861,827	1,082,160	516,823	1,820,411	2,327,967	1,086,460
Employer	421,081	537,518	247,375	-	-	-	-	-	-	421,081	537,518	247,375
Increase in net assets	640,928	1,442,088	441,935	652,150	882,719	385,590	898,885	1,323,585	525,767	2,141,963	3,648,302	1,353,252
PAYMENTS TO PARTICIPANTS (Note 3)	(252,024)	(111,174)	(3,809)	(148,624)	(107,147)	(3,647)	(232,760)	(166,809)	(5,477)	(633,408)	(385,130)	(12,933)
NET ASSETS DISTRIBUTED TO VWR (Note 6)	(1,032,377)	-	-	(902,206)	-	-	(1,106,744)	-	-	(3,041,327)	-	-
NET INTERFUND TRANSFERS	(12,443)	(10,922)	-	(23,683)	14,585	-	36,126	(3,663)	-	-	-	-
CHANGE IN NET ASSETS	(655,916)	1,319,992	438,126	(422,363)	790,157	381,903	(404,693)	1,153,113	520,290	(1,482,772)	3,263,262	1,340,319
NET ASSETS, beginning of year	1,758,118	438,126	-	1,172,060	381,903	-	1,673,403	520,290	-	4,603,581	1,340,319	-
NET ASSETS, end of year	\$1,102,202	\$1,758,118	\$438,126	\$ 749,697	\$1,172,060	\$381,903	\$1,268,910	\$1,673,403	\$520,290	\$3,120,809	\$4,603,581	\$1,340,319

The accompanying notes are an integral part of these statements.

BR001235

UNIVAR CORPORATION

UNISAVER TAX SAVINGS INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

(1) DESCRIPTION OF THE PLAN:

The Univar Corporation Unisaver Tax Savings Investment Plan (the Plan) is a contributory, defined contribution investment plan for all salaried personnel. Union employees are also eligible provided the union also participates in Univar's health insurance and pension plans.

Employees may contribute up to 12% of their compensation to the Plan. Univar Corporation (Univar) contributes an amount equal to 30% of the employee's contribution up to a maximum of 1.8% of the employee's gross income. Employee contributions vest immediately while Univar contributions vest at the rate of 20% per year.

Contributions to the Plan are invested at the direction of the participants in one of the following three funds; the Univar Common Stock Fund, the Low Risk Fund or the Aggressive Fund (the Funds). The number of active participants in each fund is 495, 896 and 1,009, respectively, which represents employee contributions only. All employer contributions are placed solely in the Univar Common Stock Fund. All fund investments are managed by a trustee at the direction of the Plan administrator and the Administrative Committee of the Univar Corporation Unisaver Tax Savings Investment Plan. Trustee and administrative fees are paid by Univar Corporation.

(2) INVESTMENTS:

The Funds' assets are valued by the trustee using the closing price of the investments on the last business day of the reporting period. A summary of unrealized appreciation (depreciation) is as follows:

	Univar Common Stock Fund	Low Risk Fund	Aggressive Fund	Total
Unrealized appreciation (depreciation) December 31, 1985	\$419,104	\$(11,710)	\$241,775	\$649,169
Distributed to VWR (Note 6)	(301,581)	11,711	(127,992)	(417,862)
Increase (decrease) during the year	(58,783)	(3,061)	29,584	(32,260)
Unrealized appreciation (depreciation) December 31, 1986	\$ 58,740	\$(3,060)	\$143,367	\$199,047

(3) PAYMENTS TO PARTICIPANTS:

Participants are entitled to their vested benefits upon termination from the Plan. At the end of each Plan year, unvested contributions are forfeited and are used to reduce future employer contributions. If participants re-enter the Plan within five years subsequent to their termination, the amount of any unvested benefits at the participant's termination date is contributed to their account. At December 31, 1986, there were \$7,622 of unvested contributions related to terminated employees.

(4) FEDERAL INCOME TAXES:

The Plan has received favorable determination on its tax exempt status with the Internal Revenue Service under Section 401(k) of the Internal Revenue Code.

(5) RECLASSIFICATIONS:

Certain reclassifications have been made to prior year balances to make them consistent with the current year presentation.

(6) ASSETS TRANSFERRED TO VWR CORPORATION:

On February 28, 1986, Univar transferred all outstanding stock of certain of its subsidiaries to VWR Corporation (VWR). Univar then "spun-off" VWR by distributing its shares of VWR to the Univar shareholders. The assets of the Plan relating to participants employed by VWR were transferred to the VWR Corporation Tax Savings Plan during the Plan year.

(7) ASSETS TRANSFERRED FROM MCKESSON CORPORATION:

Effective November 1, 1986, Univar purchased the net assets subject to certain liabilities of McKesson Chemical Company (MCC). Terms of the purchase allow for former MCC employees to participate in the Plan. Length of service with MCC is applied to Univar for purposes of Plan eligibility and vesting requirements. Accounts of former MCC employees held in trust forming a part of the McKesson Corporation Plan will be transferred to the Plan when final determination of such amounts is made. The accompanying financial statements reflect former MCC employee and related employer contributions for the period subsequent to November 1, 1986.

(8) SUBSEQUENT EVENT:

In February 1987, assets in accounts of former MCC employees held in trust forming a part of the McKesson Plan were transferred to the Plan in accordance with terms of the MCC purchase. Such amounts totaled \$13,427,000 which were transferred to Plan Funds as follows:

Univar Common Stock Fund	\$ 2,884,000
Low Risk Fund	7,997,000
Aggressive Fund	2,546,000

	\$13,427,000
	=====

Schedule 1

UNIVAR CORPORATION
UNICAFER TAX SAVINGS INVESTMENT PLAN

ASSETS HELD FOR INVESTMENT

DECEMBER 31, 1985

Description	Number of Shares/Units	Univar Common Stock Fund		Low Risk Fund		Aggressive Fund		Total	
		Cost	Current Value	Cost	Current Value	Cost	Current Value	Cost	Current Value
U.S. Treasury Bonds	N/A	\$ -	\$ -	\$202,400	\$199,340	\$ -	\$ -	\$ 202,400	\$ 199,340
Rainier Bank Quality Growth Fund	184,634	-	-	-	-	1,040,291	1,183,658	1,040,291	1,183,658
Rainier Bank Fixed Income Fund	N/A	8,515	8,515	484,945	484,945	28,745	28,745	522,205	522,205
Univar Common Stock	98,115	981,732	1,042,472	-	-	-	-	981,732	1,042,472
		\$992,247	\$1,050,987	\$687,345	\$684,285	\$1,069,036	\$1,212,403	\$2,748,628	\$2,947,675

BR001239

Schedule 2

UNIVAR CORPORATION
UNISAVER TAX SAVINGS INVESTMENT PLAN
REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 1986

	<u>Number of</u> <u>Purchases</u>	<u>Total</u> <u>Purchases</u>	<u>Number of</u> <u>Sales</u>	<u>Total</u> <u>Sales</u>	<u>Gain (Loss)</u> <u>on Sales</u>
<u>Univar Common Stock Fund</u>					
Rainier Bank Fixed Income Fund	57	\$ 813,310	52	\$ 889,430	\$ -
Univar Common Stock	17	698,004	6	130,550	(124,414)
<u>Low Risk Fund</u>					
Rainier Bank Fixed Income Fund	56	2,204,028	40	1,752,757	-
Rainier Bank Bond Fund	2	202,400	3	1,060,000	(21,626)
<u>Aggressive Fund</u>					
Rainier Bank Fixed Income Fund	53	903,749	48	988,131	-
Rainier Bank Equity Fund	10	759,990	1	86,580	2,575

BR001240

EXHIBIT 28.4

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20459

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended February 28, 1987.

VAN WATERS & ROGERS LTD./UNIVAR CORPORATION
STOCK PURCHASE PLAN

(Full title of the plan)

UNIVAR CORPORATION

(Name of issuer of the securities held pursuant to the plan)

1600 Norton Building
Seattle, Washington 98104

(Address of principal executive office)

ITEM 1. CHANGES IN THE PLAN

None

ITEM 2. CHANGES IN INVESTMENT POLICY

None

ITEM 3. CONTRIBUTIONS UNDER THE PLAN

The Company will make a basic monthly contribution in an amount equal to 20% of the amount subscribed by the participants in the Plan.

ITEM 4. PARTICIPATING EMPLOYEES

As of February 28, 1987, approximately 240 employees were eligible to participate in the Plan. Of this number, 83 eligible employees were enrolled in the Plan.

ITEM 5. ADMINISTRATION OF THE PLAN

The Plan is administered by the Board of Directors of Van Waters & Rogers Ltd. in conjunction with the performance of their regular management functions pertaining to the Company's affairs.

Other than the compensation provided each Director in conjunction with the performance of the normal management duties, no compensation is paid to the directors for administering the Plan. The Board of Van Waters & Rogers Ltd. consists of the following persons:

Sidney Clark
P. O. Box 2009
Vancouver, B.C.
Canada V6B 3R2

N. Stewart Rogers
1600 Norton Building
Seattle, WA 98104

Nicolaas Samsom
P. O. Box 2009
Vancouver, B.C.
Canada V6B 3R2

James W. Bernard
1600 Norton Building
Seattle, WA 98104

Albert C. McNeight
P. O. Box 2009
Vancouver, B.C.
Canada V6B 3R2

Paul H. Hough
P. O. Box 2009
Vancouver, B.C.
Canada V6B 3R2

Nicolaas Samsom, Vice President-Administration and Treasurer of Van Waters & Rogers Ltd., serves as Administrator of the Plan.

ITEM 6. CUSTODIAN OF INVESTMENTS

There is no custodian of the securities purchased through the Plan. Shares purchased pursuant to the Plan may be held in "street name" by the broker for the account of a participant until such time as a participant requests certificates to be issued.

During the last fiscal year, Wood Gundy Limited, broker received compensation as brokerage commissions in the amount of approximately \$2,000.

ITEM 7. REPORTS TO PARTICIPATING EMPLOYEES

Each participant in the Plan will receive a quarterly statement from the broker confirming all transactions during the period and confirmation of the reinvestment of any dividends of any sale of stock held for his account.

ITEM 8. INVESTMENT OF FUNDS

Only Univar Corporation common stock, par value of \$.33 1/3 per share may be purchased through this Plan. These shares are registered pursuant to Section 12 of the Securities Act of 1934, under Commission File No. 0-5858, including any amendment or report filed for the purpose of updating such description, and such information is incorporated herein by reference.

ITEM 9. FINANCIAL STATEMENTS AND EXHIBITS

No funds are administered by the Company. The Plan has no financial statements. Reference is made to Form S-8, Registration Statement, File No. 2-71255 for a description of the Plan.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

VAN WATERS & ROGERS LTD./UNIVAR CORPORATION STOCK PURCHASE PLAN

Date: May 29, 1987

By: 

Nicolaas Sijssen
Vice President-Administration and
Treasurer
Administrator of the Plan

1987 ANNUAL REPORT

No one would suggest that this was a year of "business as usual." It was, rather, a year of historic importance in the development of Univar Corporation.

Univar
CORPORATION

A VALUE GROWTH COMPANY

C Comparative Highlights

For the Fiscal Years Ended February 28
("Operations" and "Financial" amounts in thousands)

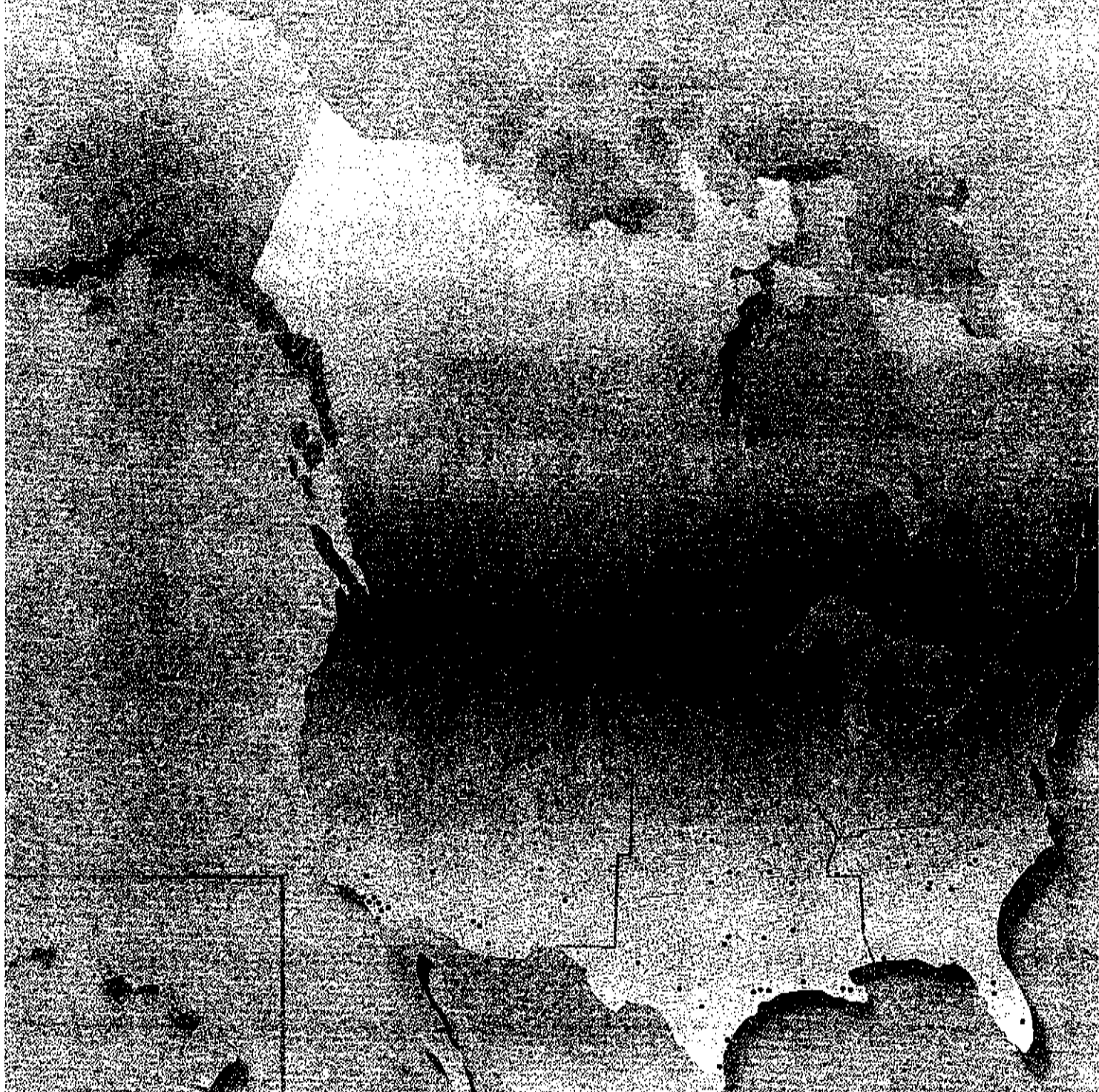
	1987	1986
Operations		
Sales	\$693,279	\$538,388
Income before taxes	1,495	6,579
Provision for taxes on income	783	2,320
Net income from continuing operations	712	4,259
Net income from companies distributed	---	6,391
Net income	712	10,650
Dividends declared:		
Continuing operations	1,434	1,792*
Companies distributed	---	2,690*
Total dividends declared	1,434	4,482
Per Share		
Net income from continuing operations11	.76
Net income from companies distributed	---	1.14
Dividends declared:		
Continuing operations20	.32*
Companies distributed	---	.48*
Total dividends declared20	.80
Book value	9.80	8.03
Financial		
Working capital	51,201	30,783
Current ratio	1.36:1	1.40:1
Shareholders' equity	85,068	45,000
Inventories	77,999	39,182
Trade accounts receivable—net	103,578	60,326
Property, plant and equipment—net	136,616	59,333
Other		
Shareholders at year-end	6,066	6,137
Employees	2,453	1,479

* Dividends declared in fiscal year 1986 were allocated between continuing operations and companies distributed based on relative net income.

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33	Principal Operating Units

Univar Corporation is a service business engaged in the distribution of a broad range of industrial chemicals. It operates through two subsidiaries, Van Waters & Rogers Ltd. in Canada and Van Waters & Rogers Inc. in the United States. On November 1, 1986, Univar became the largest distributor of industrial chemicals in North America.



BR001248

To the Shareholders of Univar Corporation:



No one at Univar would suggest that the fiscal year ended February 28, 1987, can be described as a period of "business as usual." It was, rather, a year of historic importance in the development of the Corporation.

After a six-year period of sales and spin-offs of nonrelated activities, we entered the fiscal year as a business solely devoted to the industrial chemical distribution business, operating at an annual sales rate of approximately \$500,000,000, with 1,479 employees and \$45,000,000 in net worth.

By year's end, as a result of the acquisition of the assets (subject to certain liabilities) of McKesson Chemical Co. (MCC) and a stock issue associated with that transaction, our annual sales rate (based on the last four months of the year) had more than doubled, to approximately \$1,100,000,000. We had 2,453 employees, and our net worth had increased to over \$85,000,000. In short, we had become North America's leading distributor of industrial chemicals.

However, the time, money and effort involved in accomplishing these changes put a major load on our entire U.S. organization, and is an important reason that U.S. operating results fell far short of both our expectations and the returns necessary to properly support the capital invested in the business.

Univar's Canadian operations, Van Waters & Rogers Ltd., continued to perform well. Management

in Canada was not faced with major organizational changes, and their concentration of effort produced results essentially equal to the previous year despite the fact that the Canadian economy continued to soften compared to recent years.

Consolidated net earnings for the year were \$712,000 (\$0.11 per share) on sales of \$693,300,000. This compared with earnings of \$4,259,000 (\$0.76 per share) on sales of \$538,400,000 in the prior year. In these figures, the sales and operating results of the MCC acquisition (which was accounted for as a purchase) are included after the effective date of the acquisition, November 1, 1986. Operations other than industrial chemical distribution, which were spun off to shareholders, have been eliminated from prior year results.

The per share calculations for the fiscal years ended February 28, 1986, and February 28, 1987, are based on the average number of shares outstanding each year: 5,614,791 in fiscal 1986 and 6,686,885 in fiscal 1987. The average number of shares for the most recent year was substantially increased with the issuance November 1, 1986, of 3,053,000 shares to Pakhoed Holding N.V. of Rotterdam, which played a critical role in the acquisition and financing of the MCC assets.

While sales and gross margins for the year were generally satisfactory, the acquisition and subsequent merging of two very large operations had a significant effect on our results.

"We are exploiting a substantial opportunity for value growth in Univar to the benefit of shareholders, employees, customers and suppliers alike."

Operating results for the third and fourth quarters were heavily affected by acquisition-related expenses incurred both in reaching the acquisition agreement and in the consolidation of operations, and a loss was recorded in the fourth quarter. A full discussion of the factors contributing to that loss is presented on pages 11-12.

Pakhoed made a substantial investment in Univar, giving us the financial ability to accomplish the MCC acquisition without deterioration in our balance sheet. In recognition of its position as a major shareholder, Pakhoed was given the right to nominate four new directors, expanding our Board to 13 members. The new directors are Mr. H. P. H. Crijns and Mr. G. Verhagen, both Managing Directors of Pakhoed Holding N.V., and distinguished leaders of the business community in the Netherlands; Mr. Mark Hooper, President of Pakhoed Development Company (Houston, Texas) and Mr. Nico van der Vorm, Chairman of the Board of Holland America Line, headquartered in Seattle, Washington. We look forward to the participation of these gentlemen on our Board, and believe that their broad range of experience and knowledge will benefit both our management and our shareholders.

A number of changes in top management took place during the year. I assumed the role of Chief Executive Officer upon the retirement of James H. Wiborg on September 1, 1986. Mr. Wiborg, who will continue on a consulting basis, has made unique contributions to

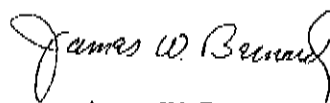
the development of Univar since its formation in 1966. His leadership, his insight, his interest in teaching and training others in management, and his unique analytical abilities have been major factors in the Corporation's success during his years as Chief Executive Officer. We look forward to his continuing contributions as Chairman and Chief Strategist.

Other executive changes which demonstrated the Corporation's ability to develop replacements for retiring executives and for the new talents called for by growth in the business are covered in detail beginning on page 7 of this report.

In the expansion of our business this year, we have taken on a major physical and structural reorganization — a project that will probably take more than two years to complete. From the additional personnel and facilities now available to us we will forge a single team of highly qualified and motivated people that will produce broader opportunities for our employees, increased services for our customers, and a highly effective national distribution system for our suppliers with very satisfactory results for our shareholders.

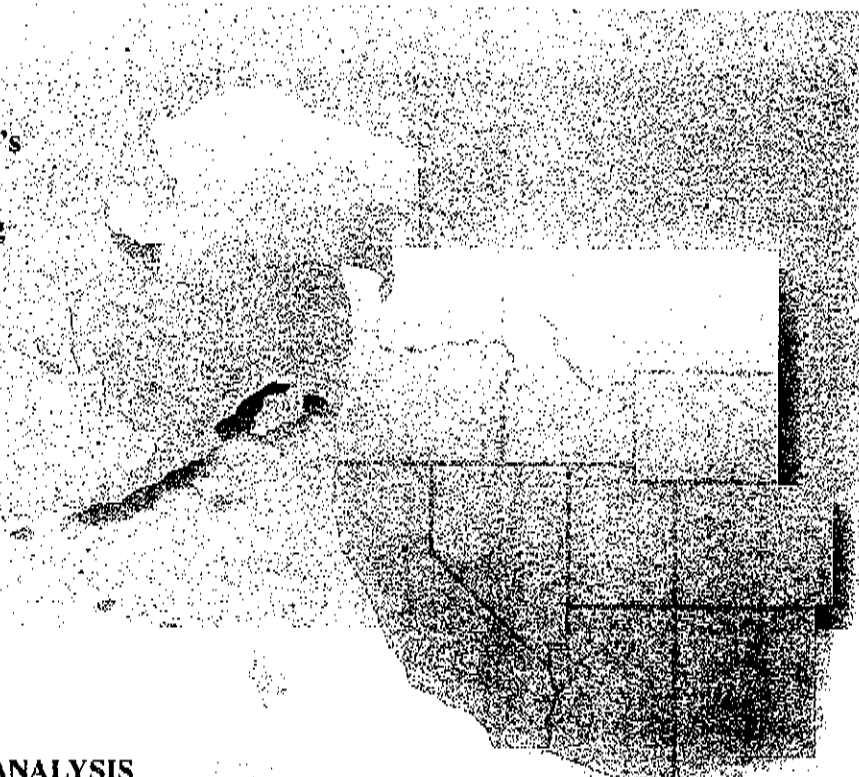
The management and employees see great opportunity ahead, and we are attacking the tasks necessary to meet our objectives with enthusiasm and confidence.

Sincerely,



James W. Bernard

Melding VW&R's and MCC's strong market share, quality personnel and excellent operating facilities has given us a more formidable competitive position in the Western Region.



MANAGEMENT DISCUSSION & ANALYSIS

Early in the fiscal year, Univar was advised by Pakhoed Holding N.V. that Pakhoed was in negotiation with McKesson Corporation regarding the possible acquisition of the assets of McKesson Chemical Co. (MCC), a division of McKesson.

Pakhoed, a Dutch company headquartered in Rotterdam, operates internationally in deep water terminaling of petroleum/chemical products, in air freight forwarding, and in environmental services. However, Pakhoed did not have an operating management in the U.S. available to run the MCC operations if the McKesson negotiations were successful.

After detailed discussions, it was agreed that Pakhoed would establish a new U.S. subsidiary, fund it with approximately \$26,000,000, and have that company execute the purchase agreement with McKesson. Univar would then acquire all of the stock of the subsidiary for a price of \$1,000,000 and 3,053,000 shares of newly issued Univar common stock. In order to consolidate the MCC operations with Univar's Van Waters & Rogers division, Univar would then contribute the assets of VW&R to the subsidiary and change the resulting company's name to Van Waters & Rogers Inc.

The plan became a reality on November 1, 1986, and as a result, Univar's industrial chemical operations more than doubled in size, while Pakhoed became the largest shareholder in Univar, subject to a "standstill" agreement, regulating subsequent stock purchases, shareholder voting and other activities, and providing for board of directors representation for Pakhoed.

The transaction enabled Univar Corporation to combine Van Waters & Rogers Inc. and McKesson Chemical Co. (the third and second largest industrial chemical distributors in North America, respectively) with Van Waters & Rogers Ltd. (one of Canada's leading industrial chemical distributors) to produce a fully coast-to-coast, independent chemical distribution network in the U.S. and Canada with an annual sales rate for the upcoming year estimated to be in excess of \$1 billion.

More important than size, however, the combination produced a number of advantages that will benefit our customers and suppliers as well as our employees and shareholders.

Geographic coverage — Our new coast-to-coast network enables us to better serve the requirements of customers and suppliers throughout the United States and Canada. We expect that this new breadth of geographic coverage will aid in the development of national sales contracts with multi-location customers, and make our services more attractive to existing and potential suppliers.

Added marketing strengths — MCC contributes excellent marketing strengths related to the food processing, pharmaceutical, and cosmetics industries. Van Waters & Rogers, on the other hand, has long-standing expertise in industries such as mining, forest products, and petroleum. Combining the two organizations has produced a marketing team of exceptional knowledge and technical strength.

29 offices in the 13 Western States including Alaska and Hawaii.

Regional V.P. Bryan Gates is a 15-year veteran of VW&R.

The region opened two new facilities in 1987: Fresno and Anchorage.



Paint, like that used on the Golden Gate Bridge, requires our products.

With consolidation of VW&R and MCC complete, the region has 811 full-time employees.

Greater financial capacity — The increased financial size and strength of Univar will allow us to self-insure substantially larger risks and to significantly reduce our total premium/claims costs if we are able to control losses at historical levels.

Improved employee opportunities — The increased size of the organization will provide greater opportunities for training and advancement among our employees, and also give them a wider selection of job opportunities.

Greater efficiency — By eliminating duplication and overlap in facilities, administrative staff and marketing effort, we expect the combined organization to be more efficient than either of its individual elements. These efficiencies will be particularly apparent in highly technical subjects such as environmental response, employee fringe benefit administration, and self-insurance programs. A number of duplications have already been eliminated in the area of administration, and we believe that, as a result, we will be able to provide better administrative services at a lower total cost than was previously the case.

Environmental/quality control — Prior to November 1, both MCC and VW&R maintained environmental/quality control staffs to handle the complex operating requirements of a chemical distributor. These two staffs have now been combined to provide a staff of 15 people devoted entirely to these important matters. As a consequence, we believe that we are in a much stronger position to stay current with regulatory requirements, to minimize the potential for environmental errors, and to provide for the prompt and careful cleanup of any existing environmental

problems that may have occurred as a result of our past operations.

Better information systems — MCC and VW&R had taken dramatically different approaches in the application of computers in their management information systems. In the 90 days after the acquisition, the decentralized VW&R system was compared in detail with the centralized MCC system, and we are now undertaking a major systems changeover designed to incorporate the best of both. While expenses in the short term will be high (while we continue to operate two systems), we expect to have the new consolidated information system on line early in fiscal 88/89, at which time we will obtain the benefit of major improvements in operating cost levels.

Reduced future expansion costs — The merging of MCC and VW&R accomplishes most of the geographic expansion that the two companies would otherwise have undertaken independently over the coming years. As a result, this single transaction has greatly reduced the demand for capital that would have been necessary had each of them continued their separate programs of geographic expansion.

FACILITIES — Perhaps the most effective way to illustrate the effect the MCC acquisition had on our operations is to discuss the radical increase in our geographic coverage and service capabilities which occurred on November 1. In terms of facilities, this purchase added 68 locations to the existing network of

Complementary operations brought together through the acquisition provided an ideal basis for consolidation in the Central Region; geographic coverage, product mix and customer base were all significantly improved.



59 Van Waters & Rogers U.S. facilities. The total purchase price allocated to these facilities, including leasehold improvements, was approximately \$73,000,000.

Historically, MCC has had its major strengths in the Midwestern and Eastern United States, while Van Waters & Rogers has been more concentrated in the West. The combining of the two operations has clearly provided us with an unparalleled network of offices and warehouses, as depicted in the map on page 1.

Our network of distribution facilities was further enhanced by the completion during the fiscal year of two new facilities, in Fresno, California, and Anchorage, Alaska, built at a total cost of \$5,800,000.

We believe our physical distribution network will lower our future requirements for expansion investment and will provide the best available national service capability for our customers and suppliers. In addition, we anticipate that the consolidation opportunities indicated in the eventual sale or sublease of excess facilities (in cities with overlapping facilities, we have consolidated operations) will provide substantial amounts of capital for deployment elsewhere in the business.

VAN WATERS & ROGERS LTD. — The Canadian operations of the Corporation, carried on through Van Waters & Rogers Ltd., again produced solid rates of return, with sales and pre-tax profits up

slightly despite continued increases in insurance costs and major weaknesses in the Canadian economy, especially in prime resource industries.

Depressed oil and gas prices and the resulting cutbacks in exploration and drilling had a serious impact on the Canadian economy, particularly in the Prairie provinces.

The mining and processing of base metals remained depressed, but we were able to take advantage of increased activity in the mining and processing of precious metals, particularly gold.

The sale in June 1986 of a small manufacturing facility near Montreal also affected VW&R Ltd.'s profits. The decision to sell the facility, which was part of an acquisition made in 1973, was made because the plant no longer fit with our commitment to distribution.

We believe that the Van Waters & Rogers Ltd. share of the industrial chemical market in Canada will continue to grow, reflecting the outstanding capability to service our customers that has been developed by the Canadian management team since Univar's entry into that market in the early 1950s.

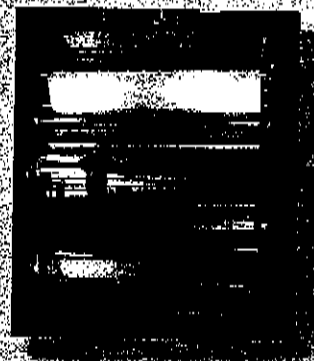
PUBLIC POLICY COMMITTEE — For many years, the Audit Committee of the Board of Directors had, in addition to its regular duties, focused heavily on environmental matters, recognizing this as an area of substantial potential risk to the Company.

*Regional V.P.
James Lacey, a 20-
year veteran of
MCC, joined
VW&R with the
acquisition.*



*The brewing industry uses
coolants and a variety of
other products from
VW&R.*

*Few of the MCC
and VW&R
locations in this
region had to be
consolidated.
The region has
429 full-time
employees.*



*The pulp and paper industry is
a major user of the chemicals
we sell.*

With the addition of the MCC operations during 1986, the Board established a Public Policy Committee, chaired by President James W. Bernard and composed of outside directors with extensive experience in chemical handling and in various engineering disciplines. This Committee reviews policies and procedures to ensure the Corporation's activities are carried out in a manner upholding its responsibility to act as a good corporate citizen in controlling risks to the health and safety of employees, customers, the public and the environment.

The Committee uses the services of independent legal and engineering firms extensively to ensure that the programs developed by the Corporation are fulfilling this obligation. In addition, the Committee regularly hears reports on activities of the Corporation from the Vice President of Environmental Affairs, the Vice President of Engineering, and from outside consultants. Based on this input, specific programs to ensure the Corporation's status as a responsible corporate citizen are developed and subsequently assigned to various members of management for execution.

The Committee also provides a forum for evaluating the risks of selling certain products, and reviewing environmental insurance programs and operating procedures designed to protect against these risks.

PERSONNEL — As a service business, Univar is particularly dependent on the quality, commitment and enthusiasm of its people. No secret formula, manufacturing expertise or patented process protects our operation. Instead, our "secret weapon" is an asset that never appears in our financial statements — customer and supplier confidence in our ability to provide outstanding service. That confidence in Univar is evidenced by the more than 90,000 orders placed with us each month. Since *people* are the ingredient which brings all of Univar's financial and physical assets to bear in providing our customers with their requirements, it follows that our success can be enhanced and maintained only through the training, abilities, and attitudes of our employees.

This central theme of our business — that the quality of a business is determined by the quality of its people — was perhaps best expressed during the most recent fiscal year in conjunction with the acquisition and integration of McKesson Chemical Co.

Although technically an acquisition of assets (subject to certain liabilities), we have expressed our intent to treat the acquisition as a "merger" of organizations in which our objective was and is to create a "whole" that is greater than the sum of its parts — and to do it while making the transition as "invisible" as possible for former MCC employees and customers.

To the extent that duplication called for reductions in employment, policies were put in place intended to assure that the most qualified personnel are retained regardless of a history with Van Waters & Rogers or with MCC. For those who have been terminated

The acquisition provided Univar with the opportunity for rapid, cost-effective expansion into the Eastern Region, and immediate introduction of additional product lines such as pest control chemicals and textile chemicals that were not previously provided in this region by either organization.



through no fault of their own in this consolidation process, temporary special pay programs were implemented to minimize any adverse effects.

Because the benefits available at Univar were very similar to those enjoyed by the MCC employees, we were able to arrange transfers of employment to Univar without interruption in health and life insurance protection, pension programs, and tax-advantaged savings (401K) plans.

Univar also absorbed the costs (approximately \$1,100,000) of converting the MCC vacation accrual system to that used by Univar, so that a transferring employee was not exposed to reduced or delayed vacation benefits.

As a result of the acquisition, approximately 1,200 experienced personnel have joined Univar with a clear understanding that the business which they have been conducting is our principal activity, and that they are fully in the mainstream of Univar's long-term commitment to industrial chemical distribution.

Our objective in managing the consolidation of the businesses over the next year or two is to select the best available people, whether from MCC or from Van Waters & Rogers, to assume responsibility for the future development of our operations.

We have been able to strengthen our organization significantly through the addition of the MCC personnel, as is evidenced by the appointment of numerous MCC employees to important responsibilities at Univar and at Van Waters & Rogers Inc.

Mr. Dick A. Davis, formerly Vice President of Operations and Materials Management for MCC, was

named Vice President of Environmental Affairs at

Univar. Mr. Davis' department will be responsible for controlling our exposures in the safety, environmental and product liability areas. The personnel of Van Waters & Rogers and MCC in these areas are being combined without any reduction in force, and will provide us with the manpower and expertise to do a better job than either company has historically been able to support. Programs included in this effort are technical and regulatory training; upgrading facilities to ensure proper handling, storage and transportation of products; and management of site remediation projects where past practices may have infringed on the environment.

Mr. David C. Gentry, formerly Vice President of Personnel at Van Waters & Rogers, was named Vice President of Human Resources of Univar. Mr. Gentry will be responsible for employee salary administration, fringe benefit programs, employee communications, labor relations and EEO activities. He will head a staff that represents a mix of specialized personnel from Van Waters & Rogers and from MCC.

Mr. Gary E. Pruitt, formerly Assistant Treasurer of Univar, was elected Treasurer of the Corporation. He succeeded Mr. Clarence W. Bengston, Treasurer since 1971, who retired after a distinguished career with Univar that began in 1959.

A new four-region organization has been installed for our U.S. operations, with each headed by a regional vice president of Van Waters & Rogers Inc. In the restructured field organization, Messrs. Bevan Cates

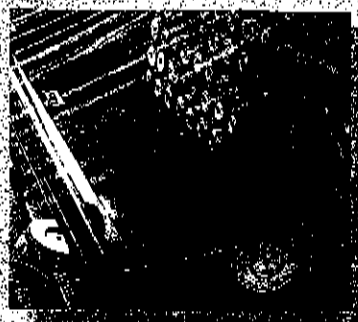
Regional V.P. Darwin Simpson, came to VW&R with the MCC acquisition, after 17 years with that company.

The region, a traditional stronghold for MCC, now has 460 VW&R employees.

19 states in the Eastern U.S. are served by 30 offices.



Pharmaceuticals and cosmetics were two industries MCC was strong in. Now VW&R is, too.



The acquisition opened a new market for VW&R: the textile industry.

and Terrance Irvine assumed responsibility for the Western and Southern Regions, respectively, while Mr. Darwin Simpson and Mr. James Lacey, both former MCC executives, were named to head the Eastern and Central Regions.

The staff organization at Van Waters & Rogers Inc. was strengthened by the addition of two new officers: Mr. Gerald R. Fischer and Mr. David Posthumus. Mr. Fischer, Vice President of Marketing, will head our marketing planning and supplier relationships, and will also assume responsibility for the national account sales group. He held a similar position at MCC. Mr. Posthumus, a CPA, recently assumed the responsibility of Controller, the principal accounting officer at Van Waters & Rogers Inc.

We are a service company and succeed only on the basis of the strength and ability of our people. The combination of talents available to us will give us a superior long-term organization.

LIQUIDITY AND DIVIDENDS—The acquisition of the assets of MCC during the year was financed through a combination of a new stock issue of 3,053,000 shares and additional bank borrowing. The transaction approximately doubled the size of most of the major elements of our balance sheet, while producing little effect on the various financial ratios normally associated with an evaluation of financial quality. The result is major expansion without the attendant in-

creases in financial leverage and risk usually associated with rapid rates of growth.

In the longer term, the national coverage achieved in the MCC acquisition suggests that future requirements for new plants and other fixed assets will be substantially lower than would have been the case had the two organizations continued as separate entities. The addition of approximately \$85,400,000 in the property, plant and equipment accounts will bring total depreciation to approximately \$14,000,000 per year for the next few years. This should be more than adequate to maintain (as opposed to expanding) our physical facilities.

In the coming year, for example, we anticipate capital expenditures for plants and equipment of about \$13,000,000, with at least a portion of the required funds being supplied from the sales of facilities which have become excess because of the geographic duplication of MCC and VW&R in certain cities.

While some very large projects may eventually be necessary (for example, in Southern California), we believe that the business combination has reduced our total future capital requirements, not only for plants and equipment, but also for inventories.

Because of the major changes going on as we assimilate the effects of the transition, the Board of Directors has not addressed the question of any change in dividend rate. No such review is anticipated until we have more operating experience for the enlarged Company and can base our estimates of future cash requirements and availability on that experience.

In the Southwestern Region, operations with distinctly different areas of emphasis and expertise were combined, allowing us to rapidly expand our penetration in product lines serving industries such as food processing, oil and gas, and electronics.

Dividend payments of \$0.05 per share were distributed in March, June, September and December. The current dividend rate was established in conjunction with the spin-off of VWR Corporation last year, and was set at a rate that was designed to provide (in combination with the initial dividend rate set on VWR Corp. shares) a total dividend from Univar and VWR Corp. that was equivalent to that being received by the shareholders prior to the spin-off.

STOCK PRICE — Until March 28, 1986, Univar common shares were traded inclusive of an interest in VWR Corporation (spun off as of March 1, 1986). The closing price on the initial date of separate trading (March 31, 1986) was \$9.88 per share.

Trading volume was light and the share price stayed in a range of \$9.75 to \$13.25 until well after the October announcement of our association with Pakhoed in the acquisition of MCC.

To our surprise, initial response to that announcement was somewhat negative, probably the result of the complex nature of the transaction and the difficulty in obtaining stand-alone historical data for Univar's chemical distribution operations and for McKesson Chemical Co., which had previously been reported as a division of McKesson Corporation.

In January, as better information regarding "new Univar" became available, interest in the stock increased substantially, and against a backdrop of an

STOCK PRICE/DIVIDEND INFORMATION

For the Fiscal Years Ended February 28	Market Price		Dividends Paid
	High	Low	
1985			
First Quarter	* 24.75	20.63	.17
Second Quarter	21.00	14.75	.17
Third Quarter	18.13	15.25	.17
Fourth Quarter	20.50	16.38	.17
1986			
First Quarter	19.75	16.25	.20
Second Quarter	20.38	18.38	.20
Third Quarter	23.75	18.75	.20
Fourth Quarter	**25.50	20.50	.20
1987			
First Quarter	14.63	9.38	.05
Second Quarter	13.63	9.50	.05
Third Quarter	***13.88	9.88	.05
Fourth Quarter	17.25	10.38	.05

* Effective March 1, 1984, the manufacturing companies of Univar Corporation were distributed to shareholders at a rate of one share of PENWEST Ltd. for each two shares of Univar. Accordingly, market prices per share are not comparable. Cash dividends were unaffected by this spinoff.

** Effective February 28, 1986, the VWR Corporation operations of Univar Corporation were distributed to shareholders at a rate of one share of VWR Corporation for each share of Univar. Accordingly, market prices and dividends paid per share will not be comparable for periods after February 28, 1986.

*** Effective November 1, 1986, McKesson Chemical Co. (MCC) was acquired in a transaction accounted for as a purchase. Accordingly, the operations of Univar include the results of MCC from that date forward and market prices per share may not be comparable.

Regional V.P. Terrance Irvine came to VW&R in 1973 in the Lyon Chemical acquisition.

27 offices cover all major metropolitan areas in the 8 state region.

Offices in a number of cities were consolidated, resulting in a workforce of about 400 full-time employees.



Oil and gas refineries are major customers of VW&R in the U.S. and Canada.



One of MCC's contributions to our product line is chlorine, used to purify municipal water supplies.

extremely strong general market, investors began to recognize the longer-term potential of a combination of the two organizations.

By fiscal year-end the price of the stock had risen to \$16.50, an increase of 67 percent over the March 31, 1986 closing price. This compared with an increase of 19 percent in the S&P 500 for the same period.

Clearly, this year's operating results have not supported this level of appreciation. Instead, the market is confirming our analysis of the values inherent in the MCC acquisition, and is acting on the belief that management can accomplish many of the benefits of consolidation within the two- to three-year time frame we have projected.

No project in the history of the Company has been more challenging, and none has offered equivalent potential rewards.

EARNINGS BY QUARTER — Sales and gross margins were at acceptable levels throughout the year, but operating expenses, particularly as related to insurance and environmental matters, remained at very high levels.

In addition, the time and expense relating to the negotiations with Pakhoed and subsequently with McKesson Corporation reduced earnings through the first three quarters of the year, and the fourth quarter felt the full impact of the significant expenses required for the physical consolidation of two national operations.

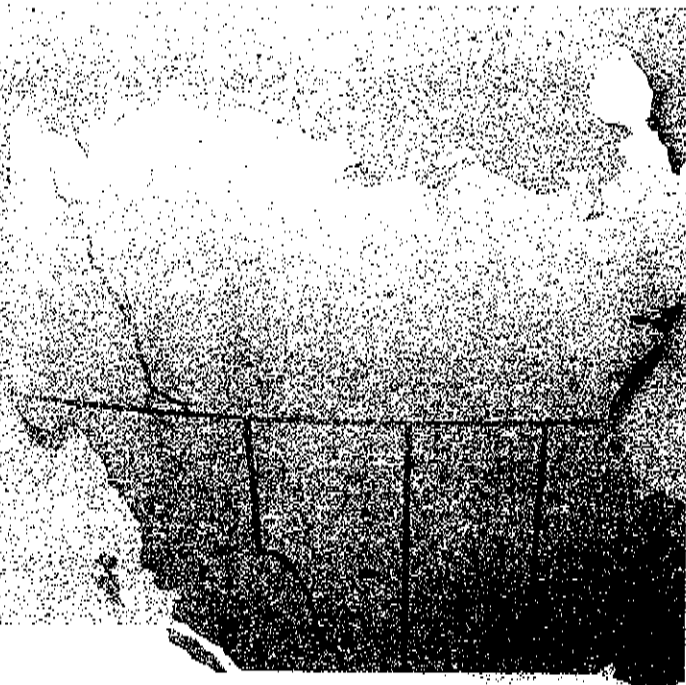
Subsequent to the end of the fiscal year, we completed a major review of estimated future environmental costs both at the former MCC sites and at on-going VW&R locations. The information developed led to the establishment of an additional \$3,400,000 of environmental reserves, with that entire amount charged to operations during the fourth quarter. In addition to the establishment of these reserves, the level of expenditures directed toward protecting the environment or correcting past operating problems also increased, as did the cost of legal efforts and personnel training associated with the ever-increasing level of regulatory activity generated by federal, state and local governments. Our liability insurance premiums also rose dramatically, despite coverage restrictions, increases in deductibles, and reduced limits of protection.

During the fourth quarter, a charge of over \$600,000 was absorbed to increase our LIFO inventory reserves. The increase was necessitated by the addition of the MCC inventories to our financial statements and the appearance of renewed inflation in inventory prices late in the year.

Other significant expenses during the fourth quarter related to the physical consolidation of the two businesses, which had overlapping facilities in a large number of U.S. markets. The progress made in this consolidation by year-end was covered in detail in the quarterly report for the three months ended February 28, 1987.

During the coming year, we will continue to experience excess operating costs as a result of the MCC transaction, although these should begin to taper off by the second quarter. One major exception to this

Our success in Canada has been tied to our ability to respond quickly to customers' needs and to trends in the national economy. As a result, VW&R Ltd. has for years been one of Canada's leading distributors of industrial chemicals.



trend will be in the costs associated with the requirement to operate two complex computer systems during the time required to design, test and install the new information systems necessary to properly support the expanded business.

We expect this systems project to require approximately a year to complete, with the operating improvements and cost savings appearing in the first quarter of the 1988/89 fiscal year.

OMPARISONS WITH PRIOR YEARS —

Effective February 28, 1984, Univar spun off its grain processing operations to its shareholders as a new independent company, PENWEST Ltd.

In order to present an independent history of the PENWEST operations prior to spin-off, the Univar financial statements for those periods were *restated* to reflect the two companies as independent units. This restatement required various assumptions to be made with respect to the allocation of operating expenses, levels of debt and interest expense, dividend payout, etc.

Effective March 1, 1986, Univar spun off the balance of its non-chemical distribution activities — as VWR Corporation — leaving only industrial chemical distribution activities to constitute on-going Univar Corporation. Again, the Univar historical financial statements were *restated* based on various assumptions. In this process, the Univar statements for periods prior to February 28, 1984, became *restatements of previous restatements*.

On November 1, 1986, the MCC acquisition became effective and was accounted for as a purchase. Because of this accounting treatment, prior years' figures were not adjusted and the operations of the Corporation approximately doubled in size for the final four months of the fiscal year ended February 28, 1987.

This history makes comparative historical analysis of prior periods difficult, since each assumption and accounting treatment must be fully understood as to its effect on the specific analysis being undertaken. The expense statistics are particularly subject to misinterpretation, since those periods prior to March 1, 1986, reflect prior restatements, while the expense figures for the year ended February 28, 1987, include the effect of MCC operations during the last four months of the year, substantial expenditures incurred in the acquisition of MCC and the subsequent consolidation of operations, continuing increases in insurance costs, and additional environmental reserves. Under the circumstances, we feel that historical analysis can best be focused on the Company's sales history and on the trend of dollars and percentage of gross margin available from this sales stream.

SALES AND GROSS MARGIN

(In Thousands of dollars)	1987	1986	1985
Sales	\$693,279	\$538,388	\$546,905
Gross Margin	\$103,375	\$ 80,091	\$ 76,682
Gross Margin	14.9%	14.9%	14.0%



The provinces of
Canada are served
from 13 locations.

VW&R Ltd.'s
President,
Albert C. "Mac"
McNeight, has
been with the
Company for 30
years.



Aluminum anodizing, like other metal coating systems, requires chemicals we sell.

Throughout the restructurings discussed, we have continued to maintain gross margin percentages at or near record levels.

OUTLOOK — With the addition of MCC to the industrial chemical distribution activities of Van Waters & Rogers Inc., we have become the leading distributor of industrial chemicals in North America, with major market shares in both the U.S. and Canada. Our services, as a source of a broad range of chemical products for our customers and as a field sales force for our suppliers are becoming increasingly complex as chemical products are generally subjected to rapidly changing regulatory requirements and a challenging legal climate.

Size and financial strength are becoming increasingly important, as we must demonstrate to our customers, to our suppliers, and to various governmental agencies that we have not only the ethical commitment but also the technical and financial resources to carry out our responsibilities as a good corporate citizen.

There have been a number of other mergers and acquisitions within the chemical distribution industry, and we foresee continuing concentration as distributors attempt to develop a sales base adequate to support the fixed costs of operating under extremely tight environmental and product liability standards. We are not

concerned that a trend of manufacturers selling direct to users will develop. In fact, the percentage of the chemical industry's output handled by distributors has been growing for many years, and a combination of increased regulatory control and an increased number of products leads us to conclude that this trend will continue.

The distribution business is necessary to the efficiency and convenience of our customers and to the effectiveness of our suppliers in handling those portions of the market where they cannot afford to put their capital or personnel resources to extensive use. The services that we provide are also necessary to society if we are to maintain the standards of living and the level of convenience to which we have become accustomed.

All these factors lead us to conclude that Univar presents excellent opportunities for growth for its employees and for financial reward to its shareholders. With a stable business environment, we expect our markets to grow in the coming years. However, Univar's growth will probably be inhibited in the next year as we concentrate on the realignment of our business and on the development of some of the benefits available to us as a result of the MCC acquisition.

The opportunity for dramatically improved results is clear, but the timing is difficult to project in the short term because our results may be significantly modified by the costs and/or benefits of changes that we must make to take advantage of the long-term potential created by our expansion during the past year.

C Consolidated Statements of Income

For the Fiscal Years Ended February 28 (Thousands of dollars, except per share data)

	1987	1986	1985
Sales	\$693,279	\$538,388	\$546,905
Cost of Sales	589,904	458,297	470,223
Gross Margin	103,375	80,091	76,682
Operating Expenses	96,733	68,745	67,553
Income from Operations	6,642	11,346	9,129
Other Income (Expense):			
Interest on borrowed capital (Note 1)	(6,198)	(6,019)	(8,241)
Gain (loss) on sale of assets	(147)	65	10,935
Other—net	1,198	1,187	3,459
Income Before Provision for Taxes on Income	1,495	6,579	15,282
Provision for Taxes on Income (Notes 1 & 8)	783	2,320	5,247
Income from Continuing Operations	712	4,259	10,035
Income from Companies Distributed, net of income taxes of \$5,978,000 in 1986, and \$4,432,000 in 1985 (Note 12)	---	6,391	5,775
Net Income	\$ 712	\$ 10,650	\$ 15,810
Net Income per Share (Note 1):			
From continuing operations	\$.11	\$.76	\$ 1.81
From companies distributed	---	1.14	1.04
Total	\$.11	\$ 1.90	\$ 2.85

The accompanying notes are an integral part of these statements.

C

onsolidated Statements of Changes in Financial Position

For the Fiscal Years Ended February 28 (Thousands of dollars)

	1987	1986	1985
Funds Provided:			
From Operations—			
Net income from continuing operations	\$ 712	\$ 4,259	\$ 10,035
Less gain on sale of plant facilities and capital assets—net of tax	---	---	7,236
	<u>712</u>	<u>4,259</u>	<u>2,799</u>
Items not affecting funds—			
Depreciation	8,184	4,844	4,262
Amortization of other assets and deferred credits—net	83	181	214
Deferred income taxes	(2,202)	1,689	(130)
Equity in net earnings of unconsolidated subsidiary	79	(17)	(968)
Other deferred liabilities and credits	<u>3,665</u>	<u>201</u>	<u>222</u>
	<u>10,521</u>	<u>11,157</u>	<u>6,399</u>
From other sources—			
Sale of fixed assets	---	---	8,524
Net income from companies distributed	---	6,391	5,775
Sale of notes receivable	---	---	20,100
Issuance of treasury stock	---	---	3,767
Long-term debt incurred	60,049	8,140	10,500
Decrease in investment in companies distributed	---	49,818	11,682
Decrease (increase) in investments and long-term receivables	5,119	(3,352)	(18,242)
Issuance of common stock	<u>39,880</u>	---	---
Translation adjustment	1,467	(650)	(1,830)
Decrease (increase) in other assets	<u>383</u>	<u>(303)</u>	<u>154</u>
	<u>106,898</u>	<u>60,044</u>	<u>40,430</u>
From changes in certain elements of working capital—			
Accounts receivable	(43,252)	3,723	(3,602)
Inventories	(38,817)	(1,490)	(1,896)
Accounts payable	54,906	(1,088)	1,587
Other current liabilities—net	4,314	(5,633)	1,290
Other current assets—net	<u>(4,961)</u>	<u>6,243</u>	<u>(7,945)</u>
	<u>(27,810)</u>	<u>1,755</u>	<u>(10,566)</u>
Total funds provided	<u>89,609</u>	<u>72,956</u>	<u>36,263</u>
Funds Used:			
Payment of dividends from continuing operations	1,434	1,792	2,399
Distribution of VWR Corporation	---	56,209	---
Distribution of PENWEST Ltd.	---	---	17,457
Purchase of treasury stock	640	190	2,579
Acquisition of business (net of working capital acquired of \$25,950,000)			
Property, plant & equipment	73,047	---	---
Long-term debt	(5,730)	---	---
Deferred items	(8,200)	---	---
Other assets	986	---	---
Net plant additions	<u>12,420</u>	<u>9,444</u>	<u>13,578</u>
Reduction in long-term debt	<u>22,404</u>	<u>5,279</u>	<u>2,347</u>
Total funds used	<u>97,001</u>	<u>72,914</u>	<u>38,360</u>
Increase (decrease) in short-term borrowing—			
net of change in cash	<u>\$ 7,392</u>	<u>\$ (42)</u>	<u>\$ 2,097</u>

The accompanying notes are an integral part of these statements.

C

onsolidated Balance Sheets

February 28 (Thousands of dollars)

1987

1986

ASSETS

Current Assets:

Cash	\$ ---	\$ 139
Receivables—		
Trade accounts (less allowance for losses of		
\$1,600,000 in 1987 and \$1,200,000 in 1986)	103,578	60,326
Other	11,511	4,813
From companies distributed	---	2,454
Inventories (Note 2)	77,999	39,182
Prepaid expenses and other assets	1,263	546
Total current assets	194,351	107,460

Funds Held for Construction (Note 3)	1,411	6,646
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Investments and Long-Term Receivables	13,026	12,989
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Property, Plant and Equipment (Notes 1, 3 & 10):

Land	14,146	7,392
Buildings	52,528	30,724
Equipment	83,173	37,000
Leased property under capital leases	7,493	3,989
Construction in progress	8,091	1,553
	165,431	80,658
Less accumulated depreciation	28,815	21,325
Net property, plant and equipment	136,616	59,333

Other Assets	1,151	548
	\$346,555	\$186,976

The accompanying notes are an integral part of these statements.

1987

1986

LIABILITIES AND SHAREHOLDERS' EQUITY**Current Liabilities:**

Bank checks outstanding less cash in bank	\$ 6,469	\$ ---
Notes payable (Note 9)	6,440	5,656
Current portion of long-term debt	2,418	762
Accounts payable	112,828	57,922
Accrued payroll and other liabilities	14,995	12,337
Total current liabilities	<u>143,150</u>	<u>76,677</u>

Long-Term Debt, less current portion (Notes 3, 9, 10 & 12)	<u>102,776</u>	<u>59,401</u>
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Deferred Items:

Deferred taxes on income (Notes 1 & 8)	1,857	4,059
Other deferred liabilities and credits	13,704	1,839
Total deferred items	<u>15,561</u>	<u>5,898</u>

Commitments and Contingencies (Notes 10, 12 & 13)**Shareholders' Equity (Notes 1 & 5):**

Preferred stock, no par value, authorized 750,000 shares	---	---
Common stock, par value \$.33 1/3 per share—		
Authorized—14,000,000 shares		
Issued—10,021,079 shares in 1987 and 6,893,820 in 1986	3,340	2,298
Additional paid-in capital	41,378	1,729
Retained earnings	53,028	53,750
Cumulative translation adjustment	(1,808)	(3,275)
Treasury stock, at cost, 1,342,190 shares in 1987 and		
1,292,090 in 1986	(10,142)	(9,502)
Deferred stock compensation expense	(728)	---
Total shareholders' equity	<u>85,068</u>	<u>45,000</u>
	<u>\$346,555</u>	<u>\$186,976</u>

C

onsolidated Statements of Shareholders' Equity

<i>For the Fiscal Years Ended February 28 (Thousands of dollars)</i>	<i>Common Stock</i>	<i>Additional Paid-in Capital</i>	<i>Retained Earnings</i>	<i>Cumulative Translation Adjustment</i>	<i>Treasury Stock</i>	<i>Deferred Stock Compensation Expense</i>	<i>Total Share- holders Equity</i>
Balance, February 29, 1984.....	\$2,298	\$15,895	\$105,475	\$ (795)	\$(20,924)	\$ ---	\$101,949
Distribution of PENWEST Ltd.							
to shareholders.....	---	(14,458)	(2,999)	---	---	---	(17,457)
Net income.....	---	---	15,810	---	---	---	15,810
Acquisition of Acacia Sales (165,107 shares).....	---	227	---	---	2,580	---	2,807
Sale of 58,000 shares treasury stock.....	---	65	---	---	896	---	961
Purchase of 149,917 shares treasury stock.....	---	---	---	---	(2,579)	---	(2,579)
Cash dividends at \$.68 per share.....	---	---	(3,780)	---	---	---	(3,780)
Foreign currency translation adjustment.....	---	---	---	(1,830)	---	---	(1,830)
Balance, February 28, 1985.....	2,298	1,729	114,506	(2,625)	(20,027)	---	95,881
Net income.....	---	---	10,650	---	---	---	10,650
Purchase of 10,500 shares treasury stock.....	---	---	---	---	(190)	---	(190)
Cash dividends at \$.80 per share.....	---	---	(4,482)	---	---	---	(4,482)
Distribution of VWR Corporation to shareholders.....	---	---	(56,209)	---	---	---	(56,209)
Cost allocation of treasury stock resulting from distribution of VWR Corporation.....	---	---	(10,715)	---	10,715	---	---
Foreign currency translation adjustment.....	---	---	---	(650)	---	---	(650)
Balance, February 28, 1986.....	2,298	1,729	53,750	(3,275)	(9,502)	---	45,000
Net income.....	---	---	712	---	---	---	712
Acquisition of McKesson Chemical Co. (3,053,000 shares).....	1,018	38,862	---	---	---	---	39,880
Purchase of 50,100 shares treasury stock.....	---	---	---	---	(640)	---	(640)
Cash dividend at \$.20 per share.....	---	---	(1,434)	---	---	---	(1,434)
Stock awards (74,259 shares).....	24	787	---	---	---	---	811
Foreign currency translation adjustment.....	---	---	---	1,467	---	---	1,467
Deferred stock compensation expense.....	---	---	---	---	---	(728)	(728)
Balance, February 28, 1987.....	\$3,340	\$41,378	\$ 53,028	\$(1,808)	\$(10,142)	\$(728)	\$ 85,068

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and all significant subsidiaries. Intercompany balances and transactions have been eliminated.

Translation of Canadian Currency

The accounts of the Canadian subsidiary are translated in accordance with Statement of Financial Accounting Standards No. 52, which requires that foreign currency assets and liabilities be translated using the exchange rates in effect at the balance sheet date. Results of operations are translated using the average exchange rates prevailing throughout the period. The effects of unrealized exchange rate fluctuations on translating foreign currency assets and liabilities into U.S. dollars are reflected as the cumulative translation adjustment in shareholders' equity. Realized gains and losses from foreign currency transactions are included in net earnings for the period.

Property, Plant & Equipment

Expenditures for property, plant and equipment and for renewals and betterments which extend the originally estimated economic lives of assets are capitalized. Expenditures for maintenance, repairs and other renewals are charged to expense. The Corporation's property accounts are maintained, for the most part, in multiple asset accounts. In the case of normal dispositions, the cost of property sold or retired is removed from the property account and charged to accumulated depreciation and no gain or loss is recorded. In the case of significant dispositions, gain or loss is recognized.

For financial reporting purposes, depreciation has been provided using the straight-line method over the estimated useful lives of the related assets. For income tax purposes, depreciation on certain assets is computed using accelerated methods.

Depreciation expense charged against operations in the accompanying consolidated statements of income amounted to \$8,184,000 in 1987, \$4,844,000 in 1986 and \$4,262,000 in 1985.

In accordance with Statements of Financial Accounting Standards Nos. 34 and 62, interest costs have been capitalized on major construction projects while in progress. Interest costs of \$75,000, \$75,000, and \$213,000 for fiscal years 1987, 1986 and 1985, respectively, have been capitalized in the cost of new facilities.

Self-Insurance Reserves

The Corporation retains certain exposures in its insurance plan under various deductible or self-insured programs.

Reserves for claims made are recorded at estimated costs as current liabilities. Reserves for estimated claims incurred but not yet reported are recorded as deferred credits.

Income Taxes

Income taxes are provided for all items included in the consolidated statements of income regardless of the period when such items will be deductible for tax purposes. The principal timing differences between financial and tax reporting arise from depreciation, insurance reserves and environmental reserves. Investment tax credits have been recognized as a tax reduction in the year in which they became available.

Accumulated undistributed earnings after taxes for the Canadian subsidiary amounted to approximately \$26,172,000 at February 28, 1987. No provision for Canadian withholding or United States Federal income taxes is necessary, as it is management's intention that dividends will be paid only under circumstances which will not generate additional net tax cost.

Earnings Per Share

Earnings per common share are based on the average number of shares outstanding during each year (6,686,885 for 1987, 5,614,791 for 1986 and 5,543,932 for 1985). There is no material dilution due to outstanding stock options.

Effects of Changing Prices

Management believes the impact on operations due to inflation during the past year has been insignificant.

NOTE 2. INVENTORIES

Inventories consist primarily of finished goods. The method of valuation of inventories at balance sheet dates was as follows:

<i>(Thousands of dollars)</i>	<i>1987</i>	<i>1986</i>
At Cost:	\$66,105	\$26,320
Last-in, first-out method		
At lower of cost or market:	11,894	12,862
Average cost method		
	<u>\$77,999</u>	<u>\$39,182</u>

LIFO reserves at February 28, 1987 and 1986, were \$12,700,000 and \$12,685,000, respectively.

NOTE 3.
LONG-TERM DEBT
AND REVOLVING
CREDIT AGREEMENT

The long-term debt of the Corporation and its subsidiaries as of February 28, was as follows:

<i>(Thousands of dollars)</i>	<i>1987</i>	<i>1986</i>
Senior Debt:		
Industrial revenue bonds, 70 - 80% of bank's prime, payable in installments to 1994	\$ 10,500	\$10,500
Industrial revenue bonds, 9.125% to 10.139%, payable in installments to 1993	4,050	4,500
Industrial revenue bonds 6.15% to 7.25%, payable in installments to 1998	2,745	---
Revolving credit agreement	45,000	10,000
Reclassified short-term debt (Note 9)	25,000	20,000
Other miscellaneous notes	569	791
Subordinated Debt:		
9 3/4% subordinated sinking fund debentures, payable in installments to 1999, net of unamortized debenture discount	2,372	2,462
Subordinated note, at prime rate, secured by certain real property, payable in installments of \$200,000 per year beginning in 1988, with balance due in 1991	8,140	8,140
Capitalized Lease Obligations:		
5.093% to 11.750%, payable in monthly installments to 2007	6,818	3,770
	<u>105,194</u>	<u>60,163</u>
Less current portion	2,418	762
Net long-term debt	<u>\$102,776</u>	<u>\$59,401</u>

Maturities of long-term debt for the fiscal years ending 1989-1992 are as follows:

1989	\$3,039
1990	2,369
1991	9,721
1992	2,196

In connection with certain industrial revenue bonds, funds totaling \$1,411,000 at February 28, 1987, are invested through a trustee and restricted for use in specific construction projects.

Through two revolving credit agreements with a group of banks, the Corporation and its subsidiary, Van Waters & Rogers Inc., may borrow up to \$110,000,000 at prime rate, certificate of deposit rate plus 1 1/4%, or LIBOR plus 1 1/4%, at the Corporation's option. The commitment with Univar for \$35,000,000 expires on December 31, 1993. The commitment for the \$75,000,000 agreement with Van Waters & Rogers Inc. reduces to \$60,000,000 on December 31, 1988, and reduces \$10,000,000 per year for the next four years and matures on December 31, 1993. The agreements also require collected balances of 5% on outstanding balances, or the payment of fees in lieu thereof, and fees of 3/8% on unused commitments.

The long-term debt instruments include provisions specifying minimum current ratio, tangible net worth, debt/tangible net worth ratios and net tangible assets/debt ratios. Under the most restrictive of the financial ratios, the Corporation's tangible net worth cannot be less than \$77,000,000.

VWR Corporation, in connection with its spin-off on February 28, 1986, has agreed to guarantee approximately \$8,140,000 of the Corporation's subordinated long-term debt.

NOTE 4.
QUARTERLY
FINANCIAL DATA
(Unaudited)

<i>(Thousands of dollars except per share data)</i>	<i>First Quarter</i>	<i>Second Quarter</i>	<i>Third Quarter</i>	<i>Fourth Quarter</i>	<i>Total</i>
1986/1987					
Sales	\$133,495	\$134,583	\$173,464	\$ 251,737	\$693,279
Gross margin	19,129	19,346	25,808	39,092	103,375
Net income (loss)	382	319	1,040	(1,029)	712
Net income (loss) per share	0.07	0.06	0.16	(0.12)	0.11
1985/1986					
Sales	\$135,787	\$138,737	\$136,748	\$ 127,116	\$538,388
Gross margin	18,323	19,686	20,308	21,774	80,091
Net income from continuing operations	\$ 383	\$ 1,209	\$ 1,425	\$ 1,242	\$ 4,259
Net income from companies distributed	1,295	1,572	1,536	1,988	6,391
Net income	<u>\$ 1,678</u>	<u>\$ 2,781</u>	<u>\$ 2,961</u>	<u>\$ 3,230</u>	<u>\$ 10,650</u>
Net income per share:					
From continuing operations	\$ 0.07	\$ 0.22	\$ 0.25	\$ 0.22	\$ 0.76
From companies distributed	0.23	0.28	0.28	0.35	1.14
Total	<u>\$ 0.30</u>	<u>\$ 0.50</u>	<u>\$ 0.53</u>	<u>\$ 0.57</u>	<u>\$ 1.90</u>

NOTE 5.
STOCK OPTIONS AND
RESTRICTED STOCK
GRANTS

As of February 28, 1987, options to purchase 172,967 common shares were outstanding under the Corporation's stock option plan, of which 13,121 were currently exercisable. The option prices, which were equivalent to market price at the date of grant, range from \$7.62 to \$11.81 per share. During fiscal year 1987, options to purchase 56,595 shares were granted and no options were exercised.

During the year the Corporation granted Restricted Stock Awards of 74,259 shares of stock to key employees pursuant to the 1986 Long-term Incentive Stock Plan. The market prices at the date of grant ranged from \$10.56 to \$11.00 per share. As of the

date of grant the fair market value of these stock awards totaled approximately \$811,000, which amount has been deferred and is being amortized to operations over a seven-year period. At February 28, 1987, unamortized deferred stock compensation expense of approximately \$728,000 is classified as such in the equity section of the balance sheet.

At February 28, 1987, there were 299,497 additional shares available for grant under these plans.

NOTE 6.
PENSION PLANS

The Corporation and its subsidiaries have pension plans covering substantially all domestic and foreign employees, excluding those employees covered by unions which operate plans independent of the Corporation or its subsidiaries. Pension expense under the Corporation's domestic salaried plan was \$270,000 in 1987 and zero in 1986 and 1985, which includes amortization of prior service costs over periods ranging up to thirty years. The Corporation utilized the Projected Unit Credit Method to calculate actuarial costs, with an assumed rate of return on assets of 9 percent and an assumed increase in earnings of 4 percent in 1987 and 1986 and 6 percent in 1985.

It is the policy of the Corporation to fund, to the extent such contributions constitute deductions from taxable income, all pension costs related to operations. Any amounts expensed but not contributed due to limitations on deductibility are recorded as deferred items.

Accumulated benefit information for the Corporation's domestic salaried plan and net assets available for payment of benefits by the plan are presented below:

<i>(Thousands of dollars)</i>	<i>1987</i>	<i>1986</i>
Actuarial present value of plan benefits as of January 1:		
Vested	\$19,763	\$15,625
Nonvested	650	415
	<u>\$20,413</u>	<u>\$16,040</u>
Net assets available for benefits	\$24,928	\$18,376

The figures in the 1986 portion of the above table have been adjusted to reflect the spin-off of distributed companies as discussed in Note 12.

Certain employees are covered under union-sponsored collectively bargained plans. Expenses for these plans were \$429,000 in 1987, \$410,000 in 1986 and \$432,000 in 1985, as determined in accordance with negotiated labor contracts.

Provisions of the Multi-Employer Pension Amendments Act of 1980 require participating employers to assume a proportionate share of a multi-employer plan's unfunded vested benefits in the event of withdrawal from or termination of such plan. Information concerning the Corporation's share of unfunded vested benefits is not available from plan administrators. Provisions of the Act may have the effect of increasing the level of contributions in future years.

The preceding information on the status of the Corporation's domestic defined benefit plan has been provided pursuant to the requirement of Statement of Financial Accounting Standards No. 36. In management's opinion, certain supplemental information may be of more practical value to the readers of these statements. Accordingly, the table below presents the funding status of the Corporation's domestic defined benefit plan on the assumption that the plan had been terminated on December 31, 1986 (the most recent valuation date), and that annuities had been purchased at that date to provide all of the benefits, vested and nonvested, earned to the termination date. The market value of assets is as reported by the trustee bank serving the pension plan. The cost to purchase annuities to discharge the plan's liabilities as of the presumed termination date has been estimated by the actuaries for the plan, based upon benefits in effect and on annuity prices experienced in the market on or about December 31, 1986.

(Thousands of dollars)

Market value of assets	\$24,928
Estimated cost of annuities	\$24,122

The Corporation will adopt Financial Accounting Standard No. 87, "Employers' Accounting for Pensions" in fiscal year 1988. The effect of adopting this pronouncement will not have a significant impact on the Corporation's results of operations or financial position.

**NOTE 7.
OTHER RETIREMENT
BENEFITS**

The Corporation provides medical benefits to pensioners and survivors. These benefits are paid and accounted for as the costs are incurred. The program went into effect on October 1, 1986 and costs under the program were not significant for the current fiscal year.

**NOTE 8.
INCOME TAXES**

Income before taxes on income for the years ended February 28 comprised the following:

<i>(Thousands of dollars)</i>	<i>1987</i>	<i>1986</i>	<i>1985</i>
Domestic	<u>\$(2,761)</u>	\$2,388	\$10,844
Foreign	<u>4,256</u>	4,191	4,438
	<u>\$ 1,495</u>	<u>\$6,579</u>	<u>\$15,282</u>

Income tax expense consisted of the following:

<i>(Thousands of dollars)</i>	<i>Total</i>	<i>Federal</i>	<i>State</i>	<i>Foreign</i>
Year Ended February 28, 1987:				
Current	\$3,405	\$1,235	\$ 198	\$1,972
Deferred	(2,622)	(2,229)	(415)	22
Total provision	\$ 783	\$ (994)	\$ (217)	\$1,994
Year Ended February 28, 1986:				
Current	\$2,220	\$ 508	\$ (58)	\$1,770
Deferred	100	62	3	35
Total provision	\$2,320	\$ 570	\$ (55)	\$1,805
Year Ended February 28, 1985:				
Current	\$4,956	\$2,045	\$1,098	\$1,813
Deferred	291	285	(68)	74
Total provision	\$5,247	\$2,330	\$1,030	\$1,887

The sources of timing differences resulting in deferred income taxes and the tax effect of each for the years ended February 28 were as follows:

<i>(Thousands of dollars)</i>	<i>1987</i>	<i>1986</i>	<i>1985</i>
Depreciation	\$ 996	\$956	\$704
Self-insurance reserves	461	(647)	(350)
Environmental reserve	(1,691)	---	---
Acquisition basis allocations—net	(2,406)	---	---
Other—net	18	(209)	(63)
Total deferred provision	\$(2,622)	\$100	\$291

The accompanying financial statements reflect effective tax rates of 52.4% in 1987, 35.3% in 1986 and 34.3% in 1985. An analysis of the differences between these rates and the Federal statutory rate is set forth below:

(Thousands of dollars)	1987		1986		1985	
	Amount	Percent	Amount	Percent	Amount	Percent
Federal tax at statutory rate	\$687	46.0%	\$3,026	46.0%	\$7,030	46.0%
State taxes, net of Federal tax benefit	(117)	(7.8)	(30)	(.4)	554	3.6
Investment tax credit—net	4	.2	(558)	(8.5)	(391)	(2.6)
Capital gains rate differential	(8)	(.6)	(4)	---	(2,018)	(13.2)
Rate differential for foreign income	36	2.4	(123)	(1.9)	(155)	(1.0)
Other—net	181	12.2	9	.1	227	1.5
	<u>\$783</u>	<u>52.4%</u>	<u>\$2,320</u>	<u>35.3%</u>	<u>\$5,247</u>	<u>34.3%</u>

Federal income tax returns of the Corporation have been audited by the Internal Revenue Service and settled through February 28, 1979.

NOTE 9.
NOTES PAYABLE

As of February 28, 1987, the Corporation had regular domestic and foreign lines of credit of \$25,000,000 with loans against these bank lines of credit of \$6,000,000. In addition, the Corporation had \$25,000,000 of commercial paper outstanding. The approximate average aggregate short-term borrowing and weighted average short-term interest costs were \$31,450,000 and 6.6% in 1987. The maximum amount of short-term borrowing during 1987 was \$40,200,000. Due to the spin-off of VWR Corporation on February 28, 1986, the average aggregate short-term borrowing, interest cost and maximum borrowing during 1986 and 1985 are not available for the restated continuing operations of Univac Corporation.

At February 28, 1987, \$25,000,000 of commercial paper borrowing was reclassified to long-term debt, based upon available refinancing through the revolving credit agreement.

To compensate its banks for the availability of short-term and long-term credit, the Corporation had informal agreements to maintain average cash balances varying up to 5% of the available credit, or to pay fees in lieu thereof.

NOTE 10.
LEASES

Rental expense for 1987, 1986 and 1985 was approximately \$5,167,000, \$4,866,000 and \$4,646,000, respectively. The Corporation and its subsidiaries occupy some leased premises and lease some other equipment. Leases that qualify as capital leases, as defined in Statement of Financial Accounting Standards No. 13, have been capitalized. The amount of such capitalized leases at February 28, 1987, included in property, plant and equipment was \$7,493,000 less \$877,000 accumulated amortization. Lease amortization is included in depreciation expense.

Future minimum lease payments as of February 28, 1987, under capital leases and non-cancelable operating leases, having initial lease terms of more than one year, are as follows:

<i>Years Ending February 28 (Thousands of dollars)</i>	<i>Capital Leases</i>	<i>Operating Leases</i>
1988	\$1,006	\$2,836
1989	896	1,496
1990	859	961
1991	855	669
1992	855	528
1993-1997	3,787	1,605
1998-2002	3,485	1,203
2003-2007	1,326	—
Total minimum payments	13,069	\$9,298
Less amount representing interest	6,251	
Present value of net minimum lease payments	\$6,818	

The present value of the net capital lease payments is presented in the February 28, 1987, balance sheet as long-term debt.

NOTE 11. ACQUISITION

Effective November 1, 1986, Univar Corporation acquired substantially all of the assets, subject to certain liabilities, of McKesson Chemical Co., one of the leading national distributors of industrial chemicals for approximately \$72,000,000. Funding was provided through the issuance of 3,053,000 shares of Univar common stock and \$1,000,000 in cash to Pakhoed Holding N.V. of Rotterdam in exchange for all of the outstanding stock of a Pakhoed subsidiary, capitalized by Pakhoed with \$26,000,000 in cash and holding an asset purchase contract for the assets of McKesson Chemical Co. This acquisition was accounted for by the purchase method. McKesson Chemical Co.'s net assets are included in the accompanying consolidated balance sheet at values representing an allocation of the purchase cost to such net assets, which approximated but did not exceed market valuation. Operating results of McKesson Chemical Co. from November 1, 1986, have been included in the consolidated statement of income.

The following table presents, on an unaudited pro forma basis, the combined results of operation of the Corporation as though the above acquisition were made on March 1, 1985.

<i>(Thousands of dollars, except per share data)</i>	<i>1987</i>	<i>1986</i>
Sales	\$1,093,680	\$1,147,791
Net income from operations	11,370	11,188
Net income	2,128	3,137
Net income per common share	0.24	0.36

The pro forma operating results include MCC's results of operations for the indicated years, less increased depreciation and amortization on property, plant and equipment and other assets, increased interest expense on acquisition debt and related income tax effects.

The pro forma information does not purport to be indicative of the results that actually would have been obtained if the combined operations had been conducted during the periods presented and is not intended to be a projection of future results.

The final purchase price of assets purchased, less liabilities assumed, is to be based upon an audited balance sheet of McKesson Chemical Co. as of October 31, 1986. There is an unresolved dispute between McKesson Corporation and Univar on container accounting. Net book value of containers in the October 31, 1986, balance sheet is approximately \$9,000,000 and any reduction in this amount would result in a reduced purchase price. In accordance with the requirements of the Purchase and Sale Agreement, this dispute has been submitted to the American Arbitration Association for settlement. McKesson Corporation has filed a lawsuit seeking to stay the arbitration and asserting various counterclaims. Management believes the counterclaims are without merit.

NOTE 12.
COMPANIES
DISTRIBUTED

On February 28, 1986, the Corporation transferred all outstanding stock of its VWR Corporation subsidiaries to VWR Corporation (a Delaware corporation organized on January 3, 1986) in exchange for capital stock.

In March 1986, effective as of February 28, 1986, the Corporation distributed all outstanding VWR Corporation common stock to the Corporation's shareholders of record on February 28, 1986, on the basis of one share of VWR Corporation common stock for each share of Corporation stock owned on the record date. The Corporation remains contingently liable for approximately \$1,750,000 of VWR Corporation debt which carries the Corporation's guarantee and is secured by VWR property, plant and equipment.

Effective March 1, 1984, the Corporation distributed all outstanding stock of PENWEST Ltd. to its shareholders. The Corporation remains contingently liable for approximately \$11,000,000 of PENWEST debt which carries the Corporation's guarantee and is secured by PENWEST property, plant and equipment.

NOTE 13.
LITIGATION AND
CONTINGENCIES

The Corporation is involved in various contractual, warranty and public liability cases and claims which are considered normal to the Corporation's business. The liabilities for injuries to persons or property are generally covered by liability insurance and the deductible portion of the liabilities, where applicable, has been accrued in these financial statements.

Divisions of Univar and a former subsidiary have been named as "potentially responsible parties" relative to cleanup costs associated with fifteen independent waste disposal or waste recycling sites which are the subject of separate investigations or proceedings concerning alleged soil and/or groundwater pollution. On many of these sites, the Corporation could technically be liable for the total costs of cleanup under the principle of joint and several liability. However, with respect to each site numerous other companies are similarly identified and as a practical matter most of them will share in the cleanup costs. In all of these cases, the Corporation is a "small

generator," and the Corporation's volume of waste delivered to the disposal sites represents less than 1% of the total wastes at each site.

The Corporation is also a defendant in a lawsuit filed by UGI Corporation, which leases an industrial chemical distribution facility in Albuquerque, New Mexico, to the Corporation. The suit alleges the operations of the Corporation have caused soil and/or groundwater pollution on the site. UGI and the Corporation have entered into an agreement to share the cost of an investigation. No agreement has been reached on the sharing of ultimate cleanup cost. This site is also part of a government investigation concerning alleged groundwater pollution in the South Valley Albuquerque area. Several other companies are also involved in this investigation.

Seven sites owned by Van Waters and Rogers Inc. are the subject of separate government proceedings or investigations concerning alleged soil and/or groundwater contamination.

While the results of the proceedings and claims against the Corporation are not presently determinable, management believes that the amount of losses that might be sustained from these cases is not likely to materially affect the Corporation's financial position or operations.

Liability insurance which would respond to claims arising out of pollution is not now practically available. Accordingly, other than a large deductible policy covering liabilities from sudden and accidental pollution incidents, the Corporation does not now have environmental impairment liability insurance but has provided reserves to cover estimated remedial costs.

A note in the principal amount of \$10,100,000 plus accrued interest, related to a July 1984 sale by the Corporation of a former facility went into default in May 1986. The Corporation had previously sold the note with recourse. Upon default the Corporation collected \$3,750,000 by calling upon a letter of credit provided as security by the purchasers. In December 1986, the Corporation foreclosed on its deed of trust and repurchased at the foreclosure sale the property that it had originally sold in July 1984.

The purchasers and the bank which issued the letter of credit are now making various claims for damages or rescission, or for preferential rights to the proceeds of the December 1986 foreclosure sale of the property. Management believes that these claims are without merit and that the collateral values will allow the Corporation to liquidate the investment without loss.

**NOTE 14.
INDUSTRY SEGMENT
INFORMATION**

Univar Corporation operates in only one industry segment (chemical distribution) in both the United States and Canada. Foreign operations in Canada, included in the consolidated statements, had sales of \$123,924,000, \$118,388,000 and \$123,833,000; operating income of \$4,258,000, \$4,710,000 and \$4,904,000; and identifiable assets of \$43,044,000, \$39,937,000 and \$43,266,000 for fiscal years 1987, 1986 and 1985, respectively.

Report of Independent Public Accountants

TO THE
SHAREHOLDERS
OF UNIVAR
CORPORATION:

We have examined the consolidated balance sheets of Univar Corporation (a Delaware corporation) and subsidiaries as of February 28, 1987 and 1986, and the related consolidated statements of income, shareholders' equity and changes in financial position for each of the three years in the period ended February 28, 1987. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of the Canadian subsidiary, which statements for fiscal 1987 reflect total assets and revenues constituting approximately 12% and 18%, respectively, of the related consolidated totals. These statements were examined by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for the subsidiary, is based solely upon the reports of the other auditors.

In our opinion, based upon our examinations and the reports of other auditors referred to above, the consolidated financial statements referred to above present fairly the financial position of Univar Corporation and subsidiaries as of February 28, 1987 and 1986 and the results of their operations and the changes in their financial position for each of the three years in the period ended February 28, 1987, in conformity with generally accepted accounting principles applied on a consistent basis.

Seattle, Washington,
May 20, 1987.

Arthur Andersen & Co.

Five-Year Financial Summary

For the Fiscal Years Ended February 28/29
(Thousands of dollars, except per share data)

	1987 ⁽¹⁾	1986	1985	1984	1983
Sales	\$693,279	\$538,388	\$546,905	\$501,642	\$454,410
Cost of sales	<u>589,904</u>	<u>458,297</u>	<u>470,223</u>	<u>429,040</u>	<u>388,363</u>
Gross margin	103,375	80,091	76,682	72,602	66,047
Operating expenses	<u>96,733</u>	<u>68,745</u>	<u>67,553</u>	<u>59,550</u>	<u>53,375</u>
Income from operations	6,642	11,346	9,129	13,052	12,672
Interest	(6,198)	(6,019)	(8,241)	(6,885)	(6,744)
Other income—net	<u>1,051</u>	<u>1,252</u>	<u>14,394</u>	<u>780</u>	<u>1,078</u>
Income before provision for taxes	1,495	6,579	15,282	6,947	7,006
Provision for taxes	<u>783</u>	<u>2,320</u>	<u>5,247</u>	<u>2,626</u>	<u>2,476</u>
Net income from continuing operations	712	4,259	10,035	4,321	4,530
Net income from companies distributed ⁽²⁾	---	6,391	5,775	4,875	606
Net income	<u>\$ 712</u>	<u>\$ 10,650</u>	<u>\$ 15,810</u>	<u>\$ 9,196</u>	<u>\$ 5,136</u>
Average common shares outstanding	6,687	5,615	5,544	5,544	5,554
Net income per share from continuing operations	\$ 0.11	\$ 0.76	\$ 1.81	\$ 0.78	\$ 0.81
Net income per share from companies distributed	---	1.14	1.04	0.88	0.11
Net income per share	<u>\$ 0.11</u>	<u>\$ 1.90</u>	<u>\$ 2.85</u>	<u>\$ 1.66</u>	<u>\$ 0.92</u>
Continuing operations only:					
Cash dividends per share	\$ 0.20	\$ 0.32	\$ 0.43	\$ 0.46	\$ 0.56
Total assets	346,555	186,976	190,952	168,433	137,992
Total debt	111,634	65,819	68,895	61,590	62,905
Long-term debt	102,776	59,401	56,540	48,387	22,457
Working capital	51,201	30,783	32,494	24,025	416
Shareholders' equity	85,068	45,000	43,373	36,379	36,201
Book value per share	9.80	8.03	7.73	6.57	6.52
Return on beginning equity	1.6%	9.8%	27.6%	11.9%	12.3%

⁽¹⁾ Reflects acquisition of McKesson Chemical Co. effective November 1, 1986 (Note 11).

⁽²⁾ See Note 12.

BOARD OF DIRECTORS

James H. Wiborg (1964)^{2, 4}
Chairman and Chief Strategist
Univar Corporation

James W. Bernard (1986)^{2, 3, 6}
President and Chief Executive Officer
Univar Corporation

H. P. H. Crijns (1986)¹
Chairman, Managing Board
Pakhoed Holding N.V.
Oil and chemical storage and
transportation

Richard E. Engebrecht (1984)^{2, 4}
President and Chief Executive Officer
VWR Corporation
Industrial distribution

M. M. Harris (1960)^{1, 3, 6}
Retired Chairman
Univar Corporation

Mark W. Hooper (1986)⁶
President
Pakhoed Development Inc.
Oil and chemical storage and
transportation

Curtis P. Lindley (1984)^{1, 3, 6}
Chairman of the Board
Penwest Ltd.
Grain processing

Robert S. Rogers (1970)^{2, 3}
President
Lands-West, Inc.
Recreational real estate developers

Andrew V. Smith (1982)^{1, 4}
President
Pacific Northwest Bell
Telecommunications

William K. Street (1975)^{1, 2}
President
The Ostrom Company
Mushroom growers and distributors

Nico van der Vorm (1987)³
Chairman—Executive Board
Holland America Line
Cruise and travel related industries

G. Verhagen (1986)^{1, 2}
Managing Director
Pakhoed Holding N.V.
Oil and chemical storage and
transportation

Lowry Wyatt (1975)^{2, 3, 5}
Consultant and Retired
Senior Vice President
The Weyerhaeuser Company
Forest products

Emeritus
Nat S. Rogers

() Year of election as Director
of Univar Corporation or Predecessor

- ¹ Audit Committee
- ² Compensation Committee
- ³ Executive Committee
- ⁴ Nominating Committee
- ⁵ Pension Committee
- ⁶ Public Policy Committee

OFFICERS

James H. Wiborg
Chairman and Chief
Strategist

James W. Bernard
President and Chief
Executive Officer

N. Stewart Rogers
Senior Vice President—Finance

Dick A. Davis
Vice President—Environmental Affairs

David C. Gentry
Vice President—Human Resources

Albert C. McNeight
Vice President
President, Van Waters & Rogers Ltd.

Robert A. Steinseifer
Vice President
President, Van Waters & Rogers Inc.

Guenter Zimmer
Vice President—Engineering

Gary E. Pruitt
Treasurer

Barry C. Maulding
Corporate Secretary

GENERAL INFORMATION

Counsel

Shidler McBroom Gates & Lucas
3500 First Interstate Center
Seattle, Washington 98104

Independent Public Accountants

Arthur Andersen & Co.
Norton Building, 801 Second Avenue
Seattle, Washington 98104

Transfer Agent and Registrar

The First Jersey National Bank
One Exchange Place
Jersey City, New Jersey 07302

For shareholder inquiry, contact
First Jersey Shareholder Services
520 Pike Tower
520 Pike Street, Suite 2134
Seattle, Washington 98101-4004

Stock Exchange Listings

Common Stock
New York Stock Exchange (Symbol UVX)
Pacific Stock Exchange (Symbol UVX)
9 3/4% Debentures
New York Stock Exchange

10K Report Available

Shareholders interested in obtaining the Annual Report Form 10-K filed with the Securities and Exchange Commission should contact Barry C. Maulding, Corporate Secretary, Univac Corporation 1600 Norton Building, Seattle, Washington 98104. Copies are available without charge.

Annual Meeting

The Board of Directors has set the Annual Meeting of Shareholders for 11:00 a.m. August 21, 1987. The meeting will be held in the 12th floor auditorium of Rainier Bank Tower, Fifth Avenue at University Street, Seattle, Washington. Formal notice of meeting is being mailed to shareholders of record July 1, 1987.

PRINCIPAL OPERATING UNITS

Van Waters & Rogers Inc.

General Offices:
2600 Campus Drive
San Mateo, California 94403

Officers

Robert A. Steinseifer
President

James W. Bernard
Vice President

Bevan A. Cates
Regional Vice President—Western Region

Terrance H. Irvine
Regional Vice President—Southwestern Region

James F. Lacey
Regional Vice President—Central Region

Darwin H. Simpson
Regional Vice President—Eastern Region

A. Don Estes
Vice President—Administration and Treasurer

Norman R. Ehmann
Vice President—Pest Control Supplies

Gerald R. Fisher
Vice President—Marketing

Daniel McCaskill
Vice President—Environmental and Operations

Dick A. Davis
Vice President

Guenter Zimmer
Vice President

Barry C. Maulding
Corporate Secretary

David J. Posthumus
Controller

Gary E. Pruitt
Assistant Treasurer

Van Waters & Rogers Ltd.

General Offices:
P.O. Box 2009
Vancouver, British Columbia
Canada V6B 3R2

Officers

A. C. McNeight
President

Nicolaas Samson
Vice President and Treasurer

R. Keith Yardley
Secretary

Muriel MacEwen
Assistant Treasurer

Univar
CORPORATION

1600 Norman Building
Seattle, Washington 98102

Printed in U.S.A.

BR001281

Source: Company Financial Statements (Consolidated)

Angels Chemical Company Corp

Exhibit C

Statement of Changes in Financial Position

FY 1986-87

<i>Year End April 30:</i>	<i>1987</i>	<i>1986</i>
SOURCE OF FUNDS		
NET INCOME	\$ 66,993.97	\$ 139.8
ITEMS NOT REQUIRING WORKING CAPITAL:		
DEPRECIATION	157,257.97	98
OTHER SOURCES		
DRUM DEPOSITS <i>Tax Refunds</i>	0.95.75	7
SALE OF ASSETS	8,229.68	10
INCREASE IN LONG-TERM DEBT	162,883.21	0
TOTAL SOURCE OF FUNDS	395,264.88	255
APPLICATION OF FUNDS		
DECREASE IN LONG-TERM DEBT	86,494.98	0
PURCHASE OF ASSETS	521,630.20	82
INCREASE IN DEPOSITS <i>Pres. Inv Capital</i>	62 (73.50)	113
TOTAL APPLICATION OF FUNDS	608,251.68	3.1
INCREASE OR (DECREASE) IN WORKING CAPITAL	3 \$(212,991.10)	286
CHANGES IN WORKING CAPITAL INCREASE OR (DECREASE)		
CASH	\$(681,595.74)	369
ACCOUNTS RECEIVABLE	12,377.34	(286)
EMPLOYEE ADVANCES	161.50	
INVENTORIES	\$197,012.11	(30)
PREPAID EXPENSES	91,505.89	92
ACCOUNTS PAYABLE	509,820.44	3
ACCRUED PAYROLL	(18,776.01)	(1)
PAYROLL & SALES TAX PAYABLE	1,211.77	(4)
INCOME TAXES PAYABLE	(94,280.00)	180
DRUM DEPOSITS	(36,680.86)	(12)
CUSTOMER DEPOSITS	(2,787.00)	(4)
EMPLOYEE BENEFIT & WELFARE	(7,000.00)	0
LOANS PAYABLE	(193,288.44)	0
ACCRUED PROFIT SHARING	3,227.97	23
INCREASE OR (DECREASE) IN WORKING CAPITAL	3 \$(212,991.10)	286

Angeles Chemical Co.

Exhibit C

Source + Application of Funds

FY 1987
Cost

<u>Source</u>		<u>Application</u>	
Cash - Rec	* 681	Accounts Rec - Inc	12
Own/Pallet		Inventories - Inc	197
Receipt - Inc	39	Prepaid Expense - Inc	91
Accrued Expense - Inc	19	Accounts Pay - Rec	509
Income Tax Pay - Inc	94	Accrued Expense - Rec	15
	<u>833</u>		<u>824</u>

Working Cap - Rec 213
(AD)

~~Notes Payable - Inc 193~~

Fixed Assets - Inc 521

Working Capital - Rec 16
(AD)

Working Capital - Inc 16
(AD)

Net Income - 67 ✓

Depreciation 157 ✓

Amort. 9 ✓

Long Term Debt - Inc 767

300

1345

11/23/87

Can't reconcile because of changes in
accounting presentation between F 1987 + F 86,

E.A.

Angelo Chemical Co.
Comparative Income Statement
1950-51

R. 1

N6

✓

	Year End April 30	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
✓ Sales		10,531	12,129	11,605	13,340	14,027	14,445	14,842	15,032	14,009	14,677	14,411	14,461	14,461	14,461	14,461
✓ Cost of Sales		7,287	8,298	8,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298	9,298
✓ Gross Profit		3,244	3,831	3,307	4,042	4,729	5,147	5,544	5,734	4,711	5,173	5,113	5,163	5,163	5,163	5,163
Operating Expenses		3,660	3,517	3,136	3,291	3,291	3,291	3,291	3,291	3,291	3,291	3,291	3,291	3,291	3,291	3,291
Operating Income		94	314	1,171	751	1,438	1,856	2,253	2,443	1,420	1,882	1,822	1,872	1,872	1,872	1,872
Other Income		73	7	180	118	304	118	118	118	118	118	118	118	118	118	118
Other Expense		58	8	85	11	11	11	11	11	11	11	11	11	11	11	11
Net Income		79	293	1,266	758	1,431	1,863	2,160	2,450	1,427	1,889	1,829	1,879	1,879	1,879	1,879
✓ Dividends		(14)	(11)	(78)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)
Retained Income		65	282	1,188	742	1,415	1,847	2,144	2,434	1,411	1,873	1,813	1,863	1,863	1,863	1,863
✓ P.S.P.		66	28	92	73	73	73	73	73	73	73	73	73	73	73	73
✓ Dep.		157	98	95	95	95	95	95	95	95	95	95	95	95	95	95
✓ Asset Depreciation		822	822	822	822	822	822	822	822	822	822	822	822	822	822	822
C/Fed P.S., T.T.		302	872	682	682	682	682	682	682	682	682	682	682	682	682	682
C/F A.T. (Stock)		233	233	233	233	233	233	233	233	233	233	233	233	233	233	233
ROE/YE Equity		3.3%	6.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%
Working Capital (W.C.)		1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154
Current Ratio		3.34	3.34	3.34	3.34	3.34	3.34	3.34	3.34	3.34	3.34	3.34	3.34	3.34	3.34	3.34
Quick Ratio		1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82
Cash/C.G.		0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19
Income/Rev.		2.88	9.12	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Cost/Rev.		2.71	16.19	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Income/W.C.		2.22	2.22	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1

Income Company Annual Statement to Shareholders

C. B.

1943-47

BR001285

ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

626 SOUTH LAKE AVENUE - PASADENA, CALIFORNIA 91106

To the Board of Directors
Angeles Chemical Co., Inc.

We have compiled the accompanying balance sheet of Angeles Chemical Co., Inc. as of April 30, 1986 and the related statements of income and changes in financial position for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or performed a review service on the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Archer, Bulmahn & Co.
CERTIFIED PUBLIC ACCOUNTANTS

July 11, 1986

ANGELES CHEMICAL CO., INC.

BALANCE SHEET

UNAUDITED

APRIL 30, 1986

ASSETS

CURRENT ASSETS

PETTY CASH \$ 300.00
 CASH IN BANK 35,542.53 } 40
 CASH IN MONEY MARKET 4,869.99 }
 CERTIFICATE OF DEPOSIT 450,000.00 }
 F.A.R. FUND 414,809.01
 ACCOUNTS RECEIVABLE \$ 1,302,377.23
 ALLOW. FOR DOUBTFUL ACCTS. (16,883.69)

NET RECEIVABLES
 ACCTS. REC. - STALLION
 EMPLOYEE ADVANCES
 INVENTORY - CHEMICALS
 INVENTORY - PACKAGING
 INVENTORY - DRUMS
 INVENTORY - GASOLINE
 PREPAID PROPERTY TAXES
 PREPAID INSURANCE
 PREPAID CONSULTANT FEES

1,285,493.54 } 1,288
 2,836.50 }
 125.00 }
 496,123.29 } 597
 87,241.62 }
 9,585.00 }
 4,347.35 }
 1,515.92 }
 104,044.20 } 115
 9,583.33 }

TOTAL CURRENT ASSETS

\$ 2,906,417.28

FIXED ASSETS - AT COST

OFFICE TRAILER 98,289.62
 TRUCKS & AUTOS 242,837.03
 TANKS & PLANT EQUIPMENT 249,512.90
 FURNITURE & FIXTURES 151,700.74
 CONSTRUCTION IN PROCESS 39,765.50
 PLANT 307,644.48

TOTAL FIXED ASSETS
 LESS: ACCUMULATED DEPRECIATION

1,089,750.27
 (718,667.93)

NET FIXED ASSETS

371,082.34

OTHER ASSETS

DEPOSITS 5,619.00
 DEPOSITS - DRUMS 2,494.00

TOTAL OTHER ASSETS

8,113.00

TOTAL ASSETS

\$ 3,285,612.62

SEE ACCOUNTANTS COMPILATION REPORT

BR001287

ANGELES CHEMICAL CO., INC.
BALANCE SHEET
UNAUDITED
APRIL 30, 1986

LIABILITIES AND CAPITAL

CURRENT LIABILITIES ✓

ACCOUNTS PAYABLE ✓	\$ 1,118,752.83	
ACCUMULATED PAYROLL ✓	8,714.26	} 4)
ACCUMULATED COMMISSIONS	32,654.46	
SALES TAX PAYABLE X	8,351.06	
INCOME TAXES PAYABLE X	(87,392.00)	
DRUG DEPOSITS	151,910.00	} 152
PALLET DEPOSITS	380.00	
CUSTOMER DEPOSITS ✓	7,131.00	
EMPLOYEE BENEFIT & WELFARE >	(59.35)	
ACCUMULATED PROFIT SHARING >	(482.33)	
TOTAL CURRENT LIABILITIES		\$ 1,239,759.73

CAPITAL

CAPITAL STOCK - \$.10 PAR VALUE,	
1,000,000 SHS. AUTHORIZED,	
54,209 SHS. ISSUED & OUTSTANDING	5,420.90
PAID IN CAPITAL	112,650.20
RETAINED EARNINGS - BEGINNING \$ 2,092,380.32	
STOCK REDEEMED (304,174.20)	

NET INCOME OR (LOSS)	139,575.67	
RETAINED EARNINGS	1,927,781.79	
TOTAL CAPITAL <i>Equity</i>		2,045,852.89
TOTAL LIABILITIES & CAPITAL		\$ 3,285,612.62

SEE ACCOUNTANTS COMPILATION REPORT

BR001288

ANGELES CHEMICAL CO., INC.

COMBINED
STATEMENT OF INCOME
UNAUDITED

YEAR ENDED APRIL 30, 1986

	CURRENT PERIOD	%	YEAR TO DATE	%
SALES	\$ 3,087,717.10	100.0	12,128,720.91	100.0
COST OF SALES	2,468,734.72	80.0	9,909,464.03	81.7
GROSS PROFIT	618,982.38	20.0	2,219,256.88	18.3
OPERATING EXPENSES				
ADMINISTRATIVE SALARIES	125,200.00	4.1	207,593.00	1.7
PLANT WAGES	42,706.58	1.4	192,919.45	1.6
SALES WAGES	30,469.48	1.0	183,809.77	1.5
OFFICE WAGES	22,538.07	.7	91,260.19	.8
PLANT EXPENSE	2,720.51	.1	14,553.33	.1
LAB EXPENSE	295.38	.0	296.80	.0
TRUCK EXPENSE	9,900.60	.3	36,752.37	.3
AUTO & TRAVEL	17,445.38	.6	66,304.58	.5
SALESMEN EXPENSES	1,601.07	.1	8,537.50	.1
FREIGHT OUT	55,323.60	1.8	193,215.05	1.6
FREIGHT OUT-LAS	4,345.50	.1	21,600.37	.2
DRUM MAINTENANCE	30,040.21	1.0	126,818.91	1.0
TANK TESTING EXPENSE	2,366.06	.1	2,366.06	.0
REPAIRS & MAINTENANCE	3,988.00	.1	17,676.64	.1
PRINTING PREP. EXPENSE	5,453.15	.2	15,688.64	.1
SUPPLIES	4,519.72	.1	19,492.61	.2
SUPPLIES-LAB	156.51	.0	1,013.23	.0
OUTSIDE LABOR	6,010.47	.2	18,423.05	.2
EQUIPMENT RENTAL	2,493.22	.1	4,345.41	.0
RENT	21,000.00	.7	82,000.00	.7
OFFICE SUPPLIES	1,969.75	.1	6,886.28	.1
GENL. & ADMIN. EXPENSES	4,259.86	.1	16,855.60	.1
COMPUTER EXPENSE	2,383.50	.1	8,942.23	.1
PROFESSIONAL SERVICES	6,617.45	.2	43,500.45	.4
TAXES & LICENSES	4,604.06	.1	18,313.80	.2
PAYROLL TAXES	13,294.96	.4	53,668.66	.4
BUSINESS PROMOTION	13,036.25	.4	41,537.14	.3
ADVERTISING	2,226.63	.1	8,997.45	.1
COMMISSIONS	78,168.40	2.5	78,168.40	.6
COMMISSIONS-LAS	39,248.44	1.3	164,950.58	1.4
DIRECTORS FEES	2,250.00	.1	9,000.00	.1
DONATIONS	560.00	.0	1,135.00	.0
INSURANCE	39,113.93	1.3	85,023.77	.7
WORKMENS COMP. INSURANCE	3,430.34	.1	6,760.32	.1
GROUP INSURANCE	4,487.11	.1	28,983.45	.2
DUES & SUBSCRIPTIONS	1,586.28	.1	5,912.08	.0

ANGELES CHEMICAL CO., INC.

COMBINED
STATEMENT OF INCOME
UNAUDITED

YEAR ENDED APRIL 30, 1986

	CURRENT PERIOD	%	YEAR TO DATE	%
OPERATING EXPENSES-(CONT'D)				
UTILITIES	\$ 2,083.60	.1	\$ 9,237.17	.1
TELEPHONE	7,574.83	.2	31,755.64	.3
DEPRECIATION	28,694.20	.9	105,487.10	.9
MISCELLANEOUS	100.00	.0	149.00	.0
EMPLOYEE MEDICAL BENEFITS	6,355.40	.2	14,167.27	.1
PENALTIES	.00	.0	764.76	.0
PROFIT SHARING EXPENSE	91,600.00	3.0	91,600.00	.8
TOTAL OPERATING EXPENSES	742,218.50	24.0	2,136,463.11	17.6
OPERATING INCOME OR (LOSS)	(123,236.12)	(4.0)	82,793.77	.7
OTHER INCOME				
DISCOUNTS EARNED	248.68	.0	2,730.97	.0
DEMURRAGE	1,237.80	.0	4,712.24	.0
SALE OF ASSETS	(1,467.90)	.0	(667.90)	.0
INTEREST INCOME	7,590.74	.2	37,037.40	.3
DIVIDEND INCOME	7,528.21	.2	14,370.40	.1
MISCELLANEOUS INCOME	8,076.40	.3	121,515.46	1.0
	23,213.93	.8	179,698.57	1.5
OTHER EXPENSE				
CONSULTANT EXPENSE	14,375.00	.5	47,916.67	.4
	14,375.00	.5	47,916.67	.4
NET INCOME OR (LOSS) BEFORE TAXES	(114,397.19)	(3.7)	214,575.67	1.8
PROVISION FOR TAXES	82,005.00	2.7	(75,000.00)	(.6)
NET INCOME OR (LOSS)	\$(32,392.19)	(1.0)	\$ 139,575.67	1.2

ANGELES CHEMICAL CO., INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION

UNAUDITED
YEAR ENDED APRIL 30, 1986

	CURRENT PERIOD	YEAR TO DATE
SOURCE OF FUNDS		
NET INCOME	\$(32,392.19)	\$ 139,575.67
ITEMS NOT REQUIRING WORKING CAPITAL:		
DEPRECIATION	25,062.56	98,430.09
OTHER SOURCES		
TAX REFUND-PRIOR YEAR	.00	6,934.94
SALE OF ASSETS	6,099.54	9,711.84
CAPITAL STOCK	146.50	146.50
	-----	-----
TOTAL SOURCE OF FUNDS	(1,083.59)	254,799.04
APPLICATION OF FUNDS		
PURCHASE OF ASSETS	17,606.07	82,210.80
INCREASE IN DEPOSITS	(420.00)	(390.00)
TREASURY STOCK	.00	(87.70)
PAID IN CAPITAL	(70,466.50)	(112,650.20)
	-----	-----
TOTAL APPLICATION OF FUNDS	(53,280.43)	(30,917.10)
INCREASE OR (DECREASE) IN WORKING CAPITAL	\$ 52,196.84	\$ 285,716.14
	=====	=====
CHANGES IN WORKING CAPITAL - INCREASE OR (DECREASE)		
CASH	\$ 15,925.03	\$ 368,909.20
ACCOUNTS RECEIVABLE	393,114.15	(286,378.20)
EMPLOYEE ADVANCES	(12,043.96)	(5,433.96)
INVENTORIES	7,450.70	(30,253.70)
PREPAID EXPENSES	(15,250.15)	58,405.89
ACCOUNTS PAYABLE	(422,689.83)	(2,948.08)
ACCRUED PAYROLL	(6,177.56)	(1,114.81)
PAYROLL & SALES TAX PAYABLE	(525.16)	(4,339.48)
INCOME TAXES PAYABLE	116,525.00	180,290.00
DRUM DEPOSITS	(1,320.00)	(12,440.00)
CUSTOMER DEPOSITS	(1,853.00)	(4,303.00)
EMPLOYEE BENEFIT & WELFARE	28.62	59.55
ACCRUED PROFIT SHARING	(20,987.00)	25,262.73
	-----	-----
INCREASE OR (DECREASE) IN WORKING CAPITAL	\$ 52,196.84	\$ 285,716.14
	=====	=====

REPORT OF
ANGELES CHEMICAL CO., INC.
APRIL 30, 1987

*

ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

626 SOUTH LAKE AVENUE - PASADENA, CALIFORNIA 91106

To the Board of Directors
Angeles Chemical co., Inc.

We have compiled the accompanying balance sheet of Angeles Chemical Co., Inc. as of April 30, 1987 and the related statement of income and changes in financial position for the quarter and year then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or performed a review service on the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by Generally Accepted Accounting Principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Archer, Bulmahn & Co.
CERTIFIED PUBLIC ACCOUNTANTS

August 18, 1987

ANGELES CHEMICAL CO., INC.
BALANCE SHEET
(Unaudited)
APRIL 30, 1987

ASSETS

CURRENT ASSETS

Cash	\$ 202,302	
Accounts Receivable (net of allowance for doubtful accounts of \$21,897)	1,322,518	
Inventories, at cost	794,309	
Prepaid expenses	<u>206,649</u>	
Total current assets		\$ 2,525,778

FIXED ASSETS

Property, plant and equipment (net of accumulated depreciation of \$868,342)	692,882	
Construction in progress	<u>39,765</u>	
Total fixed assets		732,647

OTHER ASSETS

Deposits		<u>7,944</u>
Total assets		<u>\$ 3,266,369</u>

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

Accounts payable, trade	\$ 608,975	
Accrued expenses	68,025	
Deposits	198,088	
Note payable (Bortz Oil) - current maturity	<u>193,289</u>	
Total current liabilities		\$ 1,068,377

LONG TERM LIABILITY

Note payable (Bortz Oil)		75,888
--------------------------	--	--------

CAPITAL

Capital stock (\$.10 par value, 1,000,000 shares authorized, 54065 shares issued and outstanding	5,406	
Paid in capital in excess of par	105,724	
Retained earnings	<u>2,010,974</u>	
Total capital		<u>2,122,104</u>
Total liabilities and capital		<u>\$ 3,266,369</u>

See accountant's compilation report.

ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

BR001294

ANGELES CHEMICAL CO., INC.
STATEMENT OF INCOME
(Unaudited)
YEAR ENDED APRIL 30, 1987

SALES		\$10,520,887
LESS: COST OF SALES		<u>7,786,708</u>
Gross profit		2,734,179
OPERATING EXPENSES		
Salaries and wages	822,015	
Selling and promotion	432,458	
Shipping	247,754	
Insurance	188,128	
Repairs and maintenance	181,892	
Manufacturing	160,620	
Depreciation	156,892	
Rent	112,000	
Employee benefit programs	88,541	
Business taxes and licenses	88,249	
General and administrative	59,938	
Utilities and telephone	40,999	
Professional services	34,166	
Bad debts	<u>26,320</u>	
Total operating expenses		<u>2,639,972</u>
Operating Income		94,207
OTHER INCOME		
Interest and dividends	39,167	
Discounts	6,509	
Demurrage	2,684	
Miscellaneous income	<u>24,887</u>	73,247
OTHER EXPENSE		
Interest	19,172	
Consulting/covenant	57,500	
Loss on sale of assets	4,404	
Acquisition/start-up expense	<u>7,044</u>	<u>(88,120)</u>
Net income before taxes		79,334
Provision for Income taxes		<u>(12,340)</u>
Net Income		<u>\$ 66,994</u>

See accountant's compilation report.

ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

BR001295

ANGELES CHEMICAL CO., INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION
(Unaudited)
YEAR ENDED APRIL 30, 1987

SOURCES OF WORKING CAPITAL

Net income	\$ 66,994
Item not requiring working capital:	
Depreciation	<u>156,892</u>
Working capital provided by operations	223,886

OTHER SOURCES OF WORKING CAPITAL

Increase in long term debt	75,888	
Sale of assets	8,696	
Increase in deposits	<u>169</u>	
Total sources of working capital		\$ 308,639

USE OF WORKING CAPITAL

Purchase of assets	<u>521,630</u>	
Decrease in working capital		<u>\$ (212,991)</u>

CHANGES IN WORKING CAPITAL - INCREASE OR (DECREASE)

Cash	\$ (681,596)
Accounts receivable	12,439
Inventories	197,012
Prepaid expenses	91,506
Accounts payable	509,020
Accrued expenses	(15,137)
Income taxes payable	(94,280)
Deposits	(38,667)
Note payable	<u>(193,288)</u>
	<u>\$ (212,991)</u>

See accountant's compilation report.

ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

BR001296

ARCHER, BULMAHN & Co.
CERTIFIED PUBLIC ACCOUNTANTS

626 SOUTH LAKE AVENUE - PASADENA, CALIFORNIA 91106

To the Board of Directors
Angeles Chemical Co., Inc.

We have compiled the accompanying balance sheet of Angeles Chemical Co., Inc. as of April 30, 1985 and the related statements of income and changes in financial position for the quarter and year then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or performed a review service on the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operation, and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Archer, Bulmahn & Co.
CERTIFIED PUBLIC ACCOUNTANTS

July 16, 1985

ANGELES CHEMICAL CO., INC.

BALANCE SHEET
UNAUDITED
APRIL 30, 1985

ASSETS

CURRENT ASSETS

PETTY CASH	\$ 300.00	
CASH IN BANK	40,774.12	} 521
CASH IN MONEY MARKET	4,582.31	
CERTIFICATE OF DEPOSIT	475,000.00	
ACCOUNTS RECEIVABLE	\$ 1,621,143.39	
ALLOW. FOR DOUBTFUL ACCTS.	(49,271.65)	

NET RECEIVABLES	1,571,871.74	✓
ACCTS. REC. - STALLION	18,792.40	✓
EMPLOYEE ADVANCES	5,558.96	
INVENTORY - CHEMICALS	579,422.15	} 627
INVENTORY - PACKAGING	23,009.87	
INVENTORY - DRUMS	14,780.25	
INVENTORY - GASOLINE	10,338.69	
PREPAID PROPERTY TAXES	1,548.28	
PREPAID INSURANCE	52,931.60	
DEPOSITS ON EQUIPMENT	2,257.68	

TOTAL CURRENT ASSETS

\$ 2,801,168.05

FIXED ASSETS - AT COST

OFFICE TRAILER	97,811.43
TRUCKS & AUTOS	256,430.39
TANKS & PLANT EQUIPMENT	225,425.25
FURNITURE & FIXTURES	134,717.67
CONSTRUCTION IN PROCESS	24,613.89
PLANT	286,902.48

TOTAL FIXED ASSETS

1,025,901.11

LESS: ACCUMULATED DEPRECIATION

(628,887.64)

NET FIXED ASSETS

397,013.47

OTHER ASSETS

DEPOSITS	6,139.00
DEPOSITS - DRUMS	2,364.00

TOTAL OTHER ASSETS

8,503.00

TOTAL ASSETS

\$ 3,206,684.52

ANGELES CHEMICAL CO., INC.

BALANCE SHEET

UNAUDITED

APRIL 30, 1985

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 1,119,974.29	
ACCURED PAYROLL	5,543.22	
ACCURED COMMISSIONS	34,710.69	+ 65
PAYROLL TAXES PAYABLE	(2,913.88)	
SALES TAX PAYABLE	6,925.46	
INCOME TAXES PAYABLE	92,698.00	99.5
DRUM DEPOSITS	139,850.00	
CUSTOMER DEPOSITS	2,828.00	
ACCURED PROFIT SHARING	24,780.40	

TOTAL CURRENT LIABILITIES		\$ 1,424,396.18

CAPITAL

CAPITAL STOCK - \$10 PAR VALUE, 2,500 SHS. AUTHORIZED, 600 SHS ISSUED & OUTSTANDING	6,000.00
RETAINED EARNINGS - BEGINNING	\$ 1,854,625.41
NET INCOME OR (LOSS)	226,650.43
TREASURY STOCK	(304,987.50)

RETAINED EARNINGS	1,776,288.34

TOTAL CAPITAL	1,782,288.34

TOTAL LIABILITIES & CAPITAL

\$ 3,206,684.52
=====

ANGELES CHEMICAL CO., INC.

COMBINED
STATEMENT OF INCOME
UNAUDITED

YEAR ENDED APRIL 30, 1985

	CURRENT PERIOD	%	YEAR TO DATE	%
SALES	\$ 3,518,060.94	93.94	13,519,927.86	98.3
COST OF SALES	2,903,129.40	77.5	11,295,680.44	82.2
GROSS PROFIT	614,931.54	16.4	2,224,247.42	16.2
OPERATING EXPENSES				
ADMINISTRATIVE SALARIES	100,200.00	2.7	204,400.00	1.5
PLANT WAGES	36,153.92	1.0	165,400.34	1.2
SALES WAGES	39,585.42	1.1	154,573.97	1.1
OFFICE WAGES	20,272.54	.5	82,923.96	.6
PLANT EXPENSE	3,128.94	.1	10,959.70	.1
TRUCK EXPENSE	6,054.94	.2	43,437.33	.3
AUTO & TRAVEL	17,775.65	.5	68,152.82	.5
SALESMEN EXPENSES	3,261.05	.1	7,868.11	.1
FREIGHT OUT	54,100.38	1.4	192,600.56	1.4
FREIGHT OUT-LAS	6,762.51	.2	37,985.09	.3
DRUM MAINTENANCE	33,826.10	.9	127,002.10	.9
REPAIRS & MAINTENANCE	4,686.71	.1	23,663.76	.2
SUPPLIES	6,996.03	.2	15,964.35	.1
SUPPLIES-LAB	.00	.0	1,137.27	.0
OUTSIDE LABOR	5,560.28	.1	18,930.49	.1
RENT	18,000.00	.5	72,000.00	.5
OFFICE SUPPLIES	344.04	.0	6,481.28	.0
GENL. & ADMIN. EXPENSES	4,168.54	.1	14,570.66	.1
COMPUTER EXPENSE	2,702.00	.1	20,576.01	.1
PROFESSIONAL SERVICES	3,783.36	.1	38,494.51	.3
TAXES & LICENSES	3,904.31	.1	19,543.18	.1
PAYROLL TAXES	8,450.17	.2	39,532.40	.3
BUSINESS PROMOTION	11,615.11	.3	39,045.62	.3
ADVERTISING	1,889.32	.1	7,808.10	.1
COMMISSIONS	54,397.52	1.5	100,999.92	.7
COMMISSIONS-LAS	44,195.55	1.2	150,192.98	1.1
DIRECTORS FEES	2,250.00	.1	9,000.00	.1
DONATIONS	620.00	.0	808.00	.0
INSURANCE	12,993.35	.3	44,046.89	.3
WORKMENS COMP. INSURANCE	1,027.51	.0	6,733.89	.0
GROUP INSURANCE	6,898.69	.2	30,903.70	.2
DUES & SUBSCRIPTIONS	299.00	.0	2,849.13	.0

SEE ACCOUNTANTS CERTIFICATION REPORT

BR001300

ANGELES CHEMICAL CO., INC.

COMBINED
STATEMENT OF INCOME
UNAUDITED

YEAR ENDED APRIL 30, 1985

	CURRENT PERIOD	%	YEAR TO DATE	%
OPERATING EXPENSES-(CONT'D)				
UTILITIES	\$ 1,452.56	.0	\$ 8,583.73	.1
TELEPHONE	7,875.62	.2	29,388.91	.2
DEPRECIATION	22,315.20	.6	95,437.73	.7
MISCELLANEOUS	450.00	.0	450.00	.0
THRUPUT CHARGES	100.00	.0	536.56	.0
EMPLOYEE MEDICAL BENEFITS	3,046.14	.1	7,916.65	.1
PROFIT SHARING EXPENSE	26,798.73	.7	92,803.68	.7
TOTAL OPERATING EXPENSES	577,941.19	15.4	1,993,703.38	14.5
OPERATING INCOME OR (LOSS)	36,990.35	1.0	230,544.04	1.7
DISCOUNTS EARNED	457.09	.0	2,019.26	.0
DEMURRAGE	801.99	.0	3,384.86	.0
SALE OF ASSETS	750.00	.0	4,893.91	.0
INTEREST INCOME	12,105.22	.3	68,141.42	.5
MISCELLANEOUS INCOME	35,443.41	.9	145,864.85	1.1
	49,557.71	1.3	224,304.30	1.6
OTHER EXPENSE				
INTEREST EXPENSE	.00	.0	(12,249.91)	(.1)
CONSULTANT EXPENSE	.00	.0	(28,750.00)	(.2)
	.00	.0	40,999.91	.3
NON-OPERATING INCOME				
NET INCOME OR (LOSS) BEFORE TAXES	86,548.06	2.3	413,848.43	3.0
PROVISION FOR TAXES	(29,413.00)	(.8)	(187,198.00)	(1.4)
NET INCOME OR (LOSS)	\$ 57,135.06	1.5	\$ 226,650.43	1.6

SEE ACCOUNTANTS COMPILATION REPORT

BR001301

ANGELES CHEMICAL CO., INC.
ANGELES CHEMICAL DIVISION
STATEMENT OF INCOME
UNAUDITED

YEAR ENDED APRIL 30, 1985

	CURRENT PERIOD	%	YEAR TO DATE	%
SALES	\$ 3,290,849.34	100.0%	13,292,716.26	100.0
COST OF SALES	2,712,272.24	82.4	11,104,823.28	83.5
GROSS PROFIT	578,577.10	17.6	2,187,892.98	16.5
OPERATING EXPENSES				
ADMINISTRATIVE SALARIES	100,200.00	3.0	204,400.00	1.5
PLANT WAGES	36,153.92	1.1	165,400.34	1.2
SALES WAGES	39,585.42	1.2	154,573.97	1.2
OFFICE WAGES	20,272.54	.6	82,923.96	.6
PLANT EXPENSE	3,128.94	.1	10,959.70	.1
TRUCK EXPENSE	6,054.94	.2	43,437.33	.3
AUTO & TRAVEL	17,775.65	.5	68,152.82	.5
SALESMEN EXPENSES	3,261.05	.1	7,868.11	.1
FREIGHT OUT	50,837.98	1.5	189,338.16	1.4
FREIGHT OUT-LAS	6,762.51	.2	37,985.09	.3
DRUM MAINTENANCE	33,826.10	1.0	127,002.10	1.0
REPAIRS & MAINTENANCE	4,686.71	.1	23,663.76	.2
SUPPLIES	6,996.03	.2	15,964.35	.1
SUPPLIES-LAB	.00	.0	1,137.27	.0
OUTSIDE LABOR	5,560.28	.2	18,930.49	.1
RENT	18,000.00	.5	72,000.00	.5
OFFICE SUPPLIES	344.04	.0	6,481.28	.0
GENL. & ADMIN. EXPENSES	4,168.54	.1	14,570.66	.1
COMPUTER EXPENSE	2,702.00	.1	20,576.01	.2
PROFESSIONAL SERVICES	2,180.68	.1	36,891.83	.3
TAXES & LICENSES	3,904.31	.1	19,543.18	.1
PAYROLL TAXES	8,450.17	.3	39,532.40	.3
BUSINESS PROMOTION	11,504.81	.3	38,935.32	.3
ADVERTISING	1,889.32	.1	7,808.10	.1
COMMISSIONS	54,397.52	1.7	100,999.92	.8
COMMISSIONS-LAS	44,195.55	1.3	150,192.98	1.1
DIRECTORS FEES	2,250.00	.1	9,000.00	.1
DONATIONS	620.00	.0	808.00	.0
INSURANCE	12,993.35	.4	44,046.89	.3
WORKMENS COMP. INSURANCE	1,027.51	.0	6,733.89	.1
GROUP INSURANCE	6,898.69	.2	30,903.70	.2
DUES & SUBSCRIPTIONS	299.00	.0	2,849.13	.0

SEE ACCOUNTANTS COMPILATION REPORT

BR001302

ANGELES CHEMICAL CO., INC.
ANGELES CHEMICAL DIVISION
STATEMENT OF INCOME
UNAUDITED
YEAR ENDED APRIL 30, 1985

	CURRENT PERIOD	%	YEAR TO DATE	%
OPERATING EXPENSES-(CONT'D)				
UTILITIES	\$ 1,452.56	.0	\$ 8,583.73	.1
TELEPHONE	7,875.62	.2	29,388.91	.2
DEPRECIATION	22,315.20	.7	95,437.73	.7
MISCELLANEOUS	450.00	.0	450.00	.0
THRUPUT CHARGES	100.00	.0	536.56	.0
EMPLOYEE MEDICAL BENEFITS	3,046.14	.1	7,916.65	.1
PROFIT SHARING EXPENSE	26,798.73	.8	92,803.68	.7
	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	572,965.81	17.4	1,988,728.00	15.0
	-----	-----	-----	-----
OPERATING INCOME OR (LOSS)	5,611.29	.2	199,164.98	1.5
	=====	=====	=====	=====

ANGELES CHEMICAL CO., INC.

PACKAGING DIVISION

STATEMENT OF INCOME

UNAUDITED

YEAR ENDED APRIL 30, 1985

	CURRENT PERIOD	%	YEAR TO DATE	%
SALES	\$ 227,211.60	50.0	\$ 227,211.60	50.0
COST OF SALES	190,857.16	42.0	190,857.16	42.0
GROSS PROFIT	36,354.44	8.0	36,354.44	8.0
OPERATING EXPENSES				
FREIGHT OUT	3,262.40	.7	3,262.40	.7
PROFESSIONAL SERVICES	1,602.68	.4	1,602.68	.4
BUSINESS PROMOTION	110.30	.0	110.30	.0
TOTAL OPERATING EXPENSES	4,975.38	1.1	4,975.38	1.1
OPERATING INCOME OR (LOSS)	31,379.06	6.9	31,379.06	6.9

ANGELES CHEMICAL CO., INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION

UNAUDITED
YEAR ENDED APRIL 30, 1985
CURRENT
PERIOD

YEAR
TO DATE

SOURCE OF FUNDS		
NET INCOME	\$ 57,135.06	\$ 226,650.43
ITEMS NOT REQUIRING WORKING CAPITAL:		
DEPRECIATION	20,166.17	100,258.81
OTHER SOURCES		
TAX REFUND-PRIOR YEAR	.00	763.00
SALE OF ASSETS	(10,716.43)	(2,876.96)
	-----	-----
TOTAL SOURCE OF FUNDS	66,584.80	324,795.28
	-----	-----
APPLICATION OF FUNDS		
PURCHASE OF ASSETS	50,358.86	132,734.98
INCREASE IN DEPOSITS	.00	380.00
TREASURY STOCK	.00	304,987.50
	-----	-----
TOTAL APPLICATION OF FUNDS	50,358.86	438,102.48
	-----	-----
INCREASE OR (DECREASE) IN WORKING CAPITAL	\$ 16,225.94	\$(113,307.20)
	=====	=====
CHANGES IN WORKING CAPITAL- INCREASE OR (DECREASE)		
CASH	\$(168,866.84)	\$(112,588.66)
ACCOUNTS RECEIVABLE	494,863.56	(79,527.52)
EMPLOYEE ADVANCES	(14,720.00)	3,448.10
INVENTORIES	114,754.09	103,687.35
PREPAID EXPENSES	45,088.56	25,593.67
ACCOUNTS PAYABLE	(423,036.78)	(112,308.74)
ACCRUED PAYROLL	(969.79)	172,502.33
PAYROLL & SALES TAX PAYABLE	2,246.54	3,993.41
INCOME TAXES PAYABLE	(5,788.00)	(146,029.00)
DRUM DEPOSITS	(2,180.00)	(28,300.00)
CUSTOMER DEPOSITS	(385.00)	(1,400.00)
ACCRUED PROFIT SHARING	(24,780.40)	57,619.86
	-----	-----
INCREASE OR (DECREASE) IN WORKING CAPITAL	\$ 16,225.94	\$(113,307.20)
	=====	=====

SEE ACCOUNTANTS CERTIFICATE

BR001305

ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

626 SOUTH LAKE AVENUE • PASADENA, CALIFORNIA 91106

To the Board of Directors
Angeles Chemical Co., Inc.

We have compiled the accompanying balance sheet of Angeles Chemical Co., Inc. as of April 30, 1984 and the related statements of income and changes in financial position for the quarter and year then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or performed a review service on the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operation, and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Archer, Bulmahn & Co.
CERTIFIED PUBLIC ACCOUNTANTS

July 9, 1984

BR001306

ANGELES CHEMICAL CO., INC.
BALANCE SHEET
UNAUDITED
APRIL 30, 1984

ASSETS

CURRENT ASSETS

PETTY CASH \$ 200.00
CASH IN BANK 30,693.64
CASH IN MONEY MARKET 4,234.33
CERTIFICATE OF DEPOSIT 600,000.00
ACCOUNTS RECEIVABLE \$ 1,696,218.41
ALLOW. FOR DOUBTFUL ACCTS. (44,819.15)

NET RECEIVABLES
ACCTS. REC. - STALLION
EMPLOYEE ADVANCES
INVENTORY - CHEMICALS
INVENTORY - DRUMS
INVENTORY - GASOLINE
PREPAID PROPERTY TAXES
PREPAID INSURANCE

1,651,399.26
16,909.52
2,110.86
501,400.20
12,627.00
9,834.41
928.80
30,215.09

\$ 2,860,553.11

TOTAL CURRENT ASSETS

FIXED ASSETS - AT COST

OFFICE TRAILER 94,920.43
TRUCKS & AUTOS 175,703.58
TANKS & PLANT EQUIPMENT 208,768.76
FURNITURE & FIXTURES 127,392.91
CONSTRUCTION IN PROCESS 13,571.27
PLANT 293,975.28

TOTAL FIXED ASSETS
LESS: ACCUMULATED DEPRECIATION

914,332.23
(552,671.89)

NET FIXED ASSETS

361,660.34

OTHER ASSETS

DEPOSITS
DEPOSITS - DRUMS

6,139.00
1,984.00

TOTAL OTHER ASSETS

8,123.00

TOTAL ASSETS

\$ 3,230,336.45
=====

ANGELES CHEMICAL CO., INC.

BALANCE SHEET

UNAUDITED

APRIL 30, 1984

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 1,007,665.55	
ACCURED PAYROLL	135,243.85	+ 295
ACCURED COMMISSIONS	77,512.39	
PAYROLL TAXES PAYABLE	.00	
SALES TAX PAYABLE	8,004.99	
INCOME TAXES PAYABLE	(53,331.00)	
DRUM DEPOSITS	111,550.00	0 (44)
CUSTOMER DEPOSITS	1,428.00	
ACCURED PROFIT SHARING	82,400.26	

TOTAL CURRENT LIABILITIES		\$ 1,370,474.04

CAPITAL

CAPITAL STOCK - \$10 PAR VALUE,	
2,500 SHS. AUTHORIZED,	
600 SHS ISSUED & OUTSTANDING	6,000.00
RETAINED EARNINGS - BEGINNING	\$ 1,678,422.68
NET INCOME OR (LOSS)	175,439.73

RETAINED EARNINGS	1,853,862.41

TOTAL CAPITAL	1,859,862.41

TOTAL LIABILITIES & CAPITAL	\$ 3,230,336.45
	=====

SEE ACCOUNTANTS COMPILATION REPORT

BR001308

ANGELES CHEMICAL CO., INC.
STATEMENT OF INCOME
UNAUDITED
YEAR ENDED APRIL 30, 1984

	CURRENT PERIOD	%	YEAR TO DATE	%
SALES	\$ 3,955,646.99	100.0%	14,455,258.79	100.0
COST OF SALES	3,362,190.70	85.0	12,397,208.44	85.8
GROSS PROFIT	593,456.29	15.0	2,058,050.35	14.2
OPERATING EXPENSES				
ADMINISTRATIVE SALARIES	177,465.42	4.5	304,113.09	2.1
PLANT WAGES	34,814.19	.9	133,135.28	.9
SALES WAGES	31,394.68	.8	133,625.95	.9
OFFICE WAGES	17,709.13	.4	98,846.90	.7
PLANT EXPENSE	4,114.81	.1	11,303.56	.1
LAB EXPENSE	.00	.0	49.59	.0
TRUCK EXPENSE	13,238.70	.3	38,986.11	.3
AUTO & TRAVEL	11,318.38	.3	49,254.70	.3
SALESMEN EXPENSES	1,164.09	.0	7,138.17	.0
FREIGHT OUT	60,769.58	1.5	204,165.55	1.4
FREIGHT OUT-LAS	13,043.30	.3	46,413.36	.3
DRUM MAINTENANCE	36,359.65	.9	114,169.62	.8
REPAIRS & MAINTENANCE	5,859.38	.1	15,820.72	.1
SUPPLIES	2,347.89	.1	6,722.00	.0
SUPPLIES-LAB	61.75	.0	629.55	.0
OUTSIDE LABOR	2,692.58	.1	5,895.83	.0
EQUIPMENT RENTAL	68.75	.0	68.75	.0
RENT	18,000.00	.5	72,000.00	.5
OFFICE SUPPLIES	3,121.40	.1	7,346.78	.1
GENL. & ADMIN. EXPENSES	5,835.85	.1	13,892.12	.1
COMPUTER EXPENSE	9,104.75	.2	37,678.13	.3
PROFESSIONAL SERVICES	5,511.12	.1	29,769.62	.2
TAXES & LICENSES	4,052.79	.1	22,297.34	.2
PAYROLL TAXES	16,499.56	.4	38,735.77	.3
BUSINESS PROMOTION	10,709.81	.3	33,015.58	.2
ADVERTISING	2,172.50	.1	11,434.13	.1
COMMISSIONS	47,341.31	1.2	76,059.47	.5
COMMISSIONS-LAS	37,483.82	.9	135,662.18	.9
DIRECTORS FEES	2,250.00	.1	9,000.00	.1
DONATIONS	610.00	.0	1,296.16	.0
INSURANCE	9,364.26	.2	41,551.74	.3
WORKMENS COMP. INSURANCE	3,429.25	.1	3,169.15	.0
GROUP INSURANCE	7,179.12	.2	23,903.42	.2
DUES & SUBSCRIPTIONS	851.07	.0	3,822.54	.0
UTILITIES	2,470.50	.1	7,360.73	.1
TELEPHONE	7,011.94	.2	24,827.69	.2

SEE ACCOUNTANTS COMPILATION REPORT

BR001309

ANGELES CHEMICAL CO., INC.
STATEMENT OF INCOME
UNAUDITED
YEAR ENDED APRIL 30, 1984

	CURRENT PERIOD	%	YEAR TO DATE	%
OPERATING EXPENSES - (CONT)				
DEPRECIATION	\$ 26,624.19	.7	\$ 95,800.23	.7
THRUPUT CHARGES	151.72	.0	151.72	.0
EMPLOYEE MEDICAL BENEFITS	1,119.89	.0	5,644.48	.0
PENALTIES	.00	.0	374.53	.0
PROFIT SHARING EXPENSE	82,400.26	2.1	82,828.65	.6
TOTAL OPERATING EXPENSES	715,717.39	18.1	1,947,960.89	13.5
OPERATING INCOME OR (LOSS)	(122,261.10)	(3.1)	110,089.46	.8
OTHER INCOME				
DISCOUNTS EARNED	30.08	.0	112.60	.0
DEMURRAGE	1,260.50	.0	4,513.77	.0
SALE OF ASSETS	5,291.75	.1	5,291.75	.0
INTEREST INCOME	19,293.92	.5	65,227.57	.5
MISCELLANEOUS INCOME	64,243.40	1.6	86,324.97	.6
	90,119.65	2.3	161,470.66	1.1
OTHER EXPENSE				
INTEREST EXPENSE	(327.93)	.0	(3,154.02)	.0
	327.93	.0	3,154.02	.0
NON-OPERATING INCOME				
INTEREST INCOME	.00	.0	(1,434.63)	.0
NET INCOME OR (LOSS) BEFORE TAXES	(32,469.38)	(.8)	269,840.73	1.9
PROVISION FOR TAXES	46,590.00	1.2	(94,401.00)	(.7)
NET INCOME OR (LOSS)	\$ 14,120.62	.4	\$ 175,439.73	1.2

SEE ACCOUNTANTS COMPILATION REPORT

BR001310

ANGELES CHEMICAL CO., INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION
UNAUDITED
YEAR ENDED APRIL 30, 1984

	CURRENT PERIOD	YEAR TO DATE
SOURCE OF FUNDS		
NET INCOME	\$ 14,120.62	\$ 175,439.73
ITEMS NOT REQUIRING WORKING CAPITAL:		
DEPRECIATION	26,624.19	95,800.23
OTHER SOURCES		
DRUM DEPOSITS	.00	340.00
TAX REFUND-PRIOR YEAR	.00	3,498.00
SALE OF ASSETS	1,208.25	1,799.42
	-----	-----
TOTAL SOURCE OF FUNDS	41,953.06	276,877.38
	-----	-----
APPLICATION OF FUNDS		
PURCHASE OF ASSETS	18,671.07	129,133.14
INCREASE IN DEPOSITS	.00	20.00
	-----	-----
TOTAL APPLICATION OF FUNDS	18,671.07	129,153.14
	-----	-----
INCREASE OR (DECREASE) IN WORKING CAPITAL	\$ 23,281.99	\$ 147,724.24
	=====	=====
CHANGES IN WORKING CAPITAL-		
INCREASE OR (DECREASE)		
CASH	\$(102,925.76)	\$(213,207.91)
ACCOUNTS RECEIVABLE	371,742.07	281,685.16
NOTES RECEIVABLE	.00	(8,000.00)
EMPLOYEE ADVANCES	(14,912.30)	(13,804.73)
INVENTORIES	50,302.01	21,645.32
PREPAID EXPENSES	18,394.71	(4,479.76)
ACCOUNTS PAYABLE	(223,253.22)	41,940.91
ACCRUED PAYROLL	(120,213.31)	(44,738.40)
PAYROLL & SALES TAX PAYABLE	(1,743.25)	(4,228.15)
INCOME TAXES PAYABLE	83,523.00	50,622.00
DRUM DEPOSITS	45,308.30	23,859.40
CUSTOMER DEPOSITS	(140.00)	(160.00)
ACCRUED PROFIT SHARING	(82,400.26)	16,590.40
	-----	-----
INCREASE OR (DECREASE) IN WORKING CAPITAL	\$ 23,281.99	\$ 147,724.24
	=====	=====

SEE ACCOUNTANTS COMPILATION REPORT

BR001311

ARCHER, BULMAHN & CO
626 S. LAKE AVENUE
PASADENA, CALIFORNIA

TO THE BOARD OF DIRECTORS
ANGELES CHEMICAL CO., INC.

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF ANGELES CHEMICAL CO., INC. AS OF APRIL 30, 1983 AND THE RELATED STATEMENTS OF INCOME AND CHANGES IN FINANCIAL POSITION FOR THE QUARTER AND YEAR THEN ENDED, IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR PERFORMED A REVIEW SERVICE ON THE ACCOMPANYING FINANCIAL STATEMENTS, AND ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

MANAGEMENT HAS ELECTED TO OMIT SUBSTANTIALLY ALL OF THE DISCLOSURES REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. IF THE OMITTED DISCLOSURES WERE INCLUDED IN THE FINANCIAL STATEMENTS, THEY MIGHT INFLUENCE THE USER'S CONCLUSIONS ABOUT THE COMPANY'S FINANCIAL POSITION, RESULTS OF OPERATION, AND CHANGES IN FINANCIAL POSITION. ACCORDINGLY, THESE FINANCIAL STATEMENTS ARE NOT DESIGNED FOR THOSE WHO ARE NOT INFORMED ABOUT SUCH MATTERS.

Archer, Bulmahn & Co.

CERTIFIED PUBLIC ACCOUNTANTS

JULY 6, 1983

ANGELES CHEMICAL CO., INC.
BALANCE SHEET
UNAUDITED
APRIL 30, 1983

ASSETS

CURRENT ASSETS		
CASH	\$ 200.00	} 852
CASH IN BANK	48,104.88	
CASH IN MONEY MARKET	3,908.12	
CERTIFICATE OF DEPOSIT	800,000.00	
ACCOUNTS RECEIVABLE	\$ 1,397,667.45	
ALLOW. FOR DOUBTFUL ACCTS.	(27,953.35)	

NET RECEIVABLES	1,369,714.10	} 1391
NOTES RECEIVABLE	8,000.00	
ACCTS. REC. - STALLION	13,032.40	
ACCTS. REC. - OTHER	.00	
EMPLOYEE ADVANCES	15,915.59	
INVENTORY - CHEMICALS	482,788.96	} 502
INVENTORY - DRUMS	14,118.75	
INVENTORY - GASOLINE	5,308.58	
UNPAID PROPERTY TAXES	938.29	} 52
UNPAID INSURANCE	34,685.36	

TOTAL CURRENT ASSETS		\$ 2,796,715.03
FIXED ASSETS - AT COST		
OFFICE TRAILER	94,920.43	
TRUCKS & AUTOS	162,264.58	
TANKS & PLANT EQUIPMENT	200,608.78	
FURNITURE & FIXTURES	36,336.95	
PLANT	293,975.28	

TOTAL FIXED ASSETS	788,106.02	
LESS: ACCUMULATED DEPRECIATION	(457,979.17)	

NET FIXED ASSETS		330,126.85
OTHER ASSETS		
DEPOSITS	6,139.00	
DEPOSITS - DRUMS	2,304.00	

TOTAL OTHER ASSETS		8,443.00

TOTAL ASSETS		\$ 3,135,284.88
		=====

SEE ACCOUNTANTS COMPILATION REPORT

BR001313

ANGELES CHEMICAL CO., INC.
BALANCE SHEET
UNAUDITED
APRIL 30, 1983

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 1,049,606.46	
ACCRUED PAYROLL	113,487.43	
ACCRUED COMMISSIONS	54,530.41	+267
PAYROLL TAXES PAYABLE	(56.16)	
SALES TAX PAYABLE	3,833.00	
INCOME TAXES PAYABLE	(2,709.00)	
DRUM DEPOSITS	135,409.40	
CUSTOMER DEPOSITS	1,268.00	
ACCRUED PROFIT SHARING	98,990.66	

TOTAL CURRENT LIABILITIES		\$ 1,454,360.20

LONG TERM LIABILITIES

CAPITAL

CAPITAL STOCK - \$10 PAR VALUE, 2,500 SHS. AUTHORIZED, 600 SHS ISSUED & OUTSTANDING	6,000.00	
RETAINED EARNINGS - BEGINNING	1,463,411.26	
NET INCOME OR (LOSS)	211,513.42	

RETAINED EARNINGS	1,674,924.68	

TOTAL CAPITAL		1,680,924.68

TOTAL LIABILITIES & CAPITAL		\$ 3,135,284.88
		=====

ANGELES CHEMICAL CO., INC.
STATEMENT OF INCOME
UNAUDITED
YEAR ENDED APRIL 30, 1983

	CURRENT PERIOD	%	YEAR TO DATE	%
SALES	\$ 3,568,176.60	100.0%	15,023,594.99	100.0
COST OF SALES	3,062,004.14	85.8	13,044,149.88	86.8
GROSS PROFIT	506,172.46	14.2	1,979,445.11	13.2
OPERATING EXPENSES				
ADMINISTRATIVE SALARIES	175,890.21	4.9	302,482.58	2.0
PLANT WAGES	27,212.66	.8	119,313.57	.8
SALES WAGES	33,682.08	.9	146,632.94	1.0
OFFICE WAGES	25,749.94	.7	102,943.18	.7
PLANT EXPENSE	1,665.23	.0	8,857.73	.1
TRUCK EXPENSE	11,186.19	.3	34,649.38	.2
AUTO & TRAVEL	10,342.03	.3	48,074.69	.3
SALESMEN EXPENSES	2,420.44	.1	4,676.47	.0
FREIGHT OUT	51,044.26	1.4	202,647.47	1.3
FREIGHT OUT-LAS	8,859.70	.2	45,290.94	.3
TRUCK MAINTENANCE	8,021.35	.2	46,828.50	.3
REPAIRS & MAINTENANCE	2,855.29	.1	17,076.02	.1
SUPPLIES	1,418.86	.0	8,957.14	.1
SUPPLIES-LAB	280.96	.0	643.08	.0
OUTSIDE LABOR	1,231.14	.0	5,969.83	.0
RENT	18,000.00	.5	72,000.00	.5
OFFICE SUPPLIES	384.09	.0	6,633.94	.0
GENL. & ADMIN. EXPENSES	2,031.01	.1	5,012.27	.0
COMPUTER EXPENSE	7,623.39	.2	37,688.92	.3
PROFESSIONAL SERVICES	1,443.97	.0	14,209.30	.1
TAXES & LICENSES	2,657.85	.1	10,814.86	.1
PAYROLL TAXES	13,024.01	.4	36,542.78	.2
BUSINESS PROMOTION	11,697.29	.3	43,070.55	.3
ADVERTISING	9,726.10	.3	17,390.27	.1
COMMISSIONS	36,963.72	1.0	68,575.56	.5
COMMISSIONS-LAS	27,645.94	.8	118,878.29	.8
DIRECTORS FEES	2,250.00	.1	9,000.00	.1
DONATIONS	955.00	.0	1,780.00	.0
INSURANCE	3,725.63	.1	51,981.62	.3
WORKMENS COMP. INSURANCE	2,404.25	.1	3,281.91	.0
GROUP INSURANCE	3,713.03	.1	15,156.53	.1
DUES & SUBSCRIPTIONS	80.00	.0	2,752.21	.0
UTILITIES	1,462.76	.0	5,821.16	.0
TELEPHONE	6,366.45	.2	24,570.07	.2

SEE ACCOUNTANTS COMPILATION REPORT

BR001315

ANGELES CHEMICAL CO., INC.
STATEMENT OF INCOME
UNAUDITED
YEAR ENDED APRIL 30, 1983

	CURRENT PERIOD	%	YEAR TO DATE	%
OPERATING EXPENSES - (CONT'				
DEPRECIATION	\$ 26,340.29	.7	\$ 96,891.82	.6
EMPLOYEE MEDICAL BENEFITS	2,344.21	.1	5,145.56	.0
INDEBTEDNESS	6,234.60	.2	6,234.60	.0
PROFIT SHARING EXPENSE	98,990.66	2.8	99,754.50	.7
TOTAL OPERATING EXPENSES	647,924.59	18.2	1,848,230.24	12.3
OPERATING INCOME OR (LOSS)	(141,752.13)	(4.0)	131,214.87	.9
OTHER INCOME				
DISCOUNTS EARNED	16.63	.0	99.08	.0
CURRAGE	785.00	.0	4,399.40	.0
LOSS OF ASSETS	300.00	.0	41.62	.0
INTEREST INCOME	13,055.83	.4	56,108.55	.4
SCCELLANEOUS INCOME	134,624.29	3.8	158,361.22	1.1
	148,781.75	4.2	219,009.87	1.5
OTHER EXPENSE				
INTEREST EXPENSE	.00	.0	(464.93)	.0
	.00	.0	464.93	.0
NON-OPERATING INCOME				
INTEREST INCOME	(732.01)	.0	(9,485.61)	(.1)
NET INCOME OR (LOSS)				
BEFORE TAXES	7,761.63	.2	359,245.42	2.4
PROVISION FOR TAXES	11,122.00	.3	(147,732.00)	(1.0)
NET INCOME OR (LOSS)	\$ 18,883.63	.5	\$ 211,513.42	1.4
	=====	=====	=====	=====

ANGELES CHEMICAL CO., INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION
UNAUDITED
YEAR ENDED APRIL 30, 1983

	CURRENT PERIOD	YEAR TO DATE
SOURCE OF FUNDS		
NET INCOME	\$ 18,883.63	\$ 211,513.42
ITEMS NOT REQUIRING WORKING CAPITAL:		
DEPRECIATION	26,340.29	96,891.82
OTHER SOURCES		
CASH DEPOSITS	55.00	55.00
TAX REFUND-PRIOR YEAR	1,822.00	2,704.00
SALE OF ASSETS	.00	1,258.38
	-----	-----
TOTAL SOURCE OF FUNDS	47,100.92	312,422.62
	-----	-----
APPLICATION OF FUNDS		
PURCHASE OF ASSETS	635.01	142,374.44
INCREASE IN DEPOSITS	.00	400.00
	-----	-----
TOTAL APPLICATION OF FUNDS	635.01	142,774.44
	-----	-----
INCREASE OR (DECREASE) IN WORKING CAPITAL	\$ 46,465.91	\$ 169,648.18
	=====	=====
CHANGES IN WORKING CAPITAL-		
INCREASE OR (DECREASE)		
CASH	\$(15,324.21)	\$ 653,577.36
ACCOUNTS RECEIVABLE	277,755.46	(572,851.79)
NOTES RECEIVABLE	.00	3,539.86
EMPLOYEE ADVANCES	13,649.73	13,265.55
INVENTORIES	(19,301.99)	21,251.58
PREPAID EXPENSES	(1,673.33)	(13,396.38)
ACCOUNTS PAYABLE	(135,713.69)	111,010.65
ACCRUED PAYROLL	(141,271.85)	(17,690.08)
PAYROLL & SALES TAX PAYABLE	1,729.20	468.49
INCOME TAXES PAYABLE	48,732.00	(134,118.00)
CASH DEPOSITS	116,875.25	104,130.25
ACCRUED PROFIT SHARING	(98,990.66)	460.69
	-----	-----
INCREASE OR (DECREASE) IN WORKING CAPITAL	\$ 46,465.91	\$ 169,648.18
	=====	=====

SEE ACCOUNTANTS COMPILATION REPORT

BR001317

U.S. Corporation Income Tax Return

For calendar 1985 or tax year beginning MAY 1 1985, ending APRIL 30 1986

OMB No. 1545-0123

1985

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Check if a—

- A Consolidated return ☐
B Personal Holding Co. ☐
C Business Code No. (See the list in the instructions) 5160

Use IRS label. Otherwise please print or type.

CAR-RT SORT
DB 95-2748321 8604 589 5092 M
ANGELES CHEMICAL INC
8915 SORENSEN AVE
SANTA FE SPRINGS CA 90670

**CK 10

D Employer identification number

95-2748321

E Date incorporated

11-1-71

F Total assets (see Specific Instructions)

G Check box if there has been a change in address from the previous year ☐

		Dollars	Cents
1 a Gross receipts or sales		3,385,415	
b Less returns and allowances			
Balance		12,128,721	
2 Cost of goods sold and/or operations (Schedule A)		9,908,707	
3 Gross profit (line 1c less line 2)		2,220,014	
4 Dividends (Schedule C)		14,370	
5 Interest		37,785	
6 Gross rents			
7 Gross royalties			
8 Capital gain net income (attach separate Schedule D)			
9 Net gain or (loss) from Form 4797, line 17, Part II (attach Form 4797)		(1,198)	
10 Other income (see instructions—attach schedule)		128,211	
11 TOTAL income—Add lines 3 through 10 and enter here		2,399,182	
12 Compensation of officers (Schedule E)		207,593	
13 a Salaries and wages		467,989	
b Less jobs credit			
Balance		18,155	
14 Repairs		82,000	
15 Bad debts (Schedule F if reserve method is used)		110,416	
16 Rents			
17 Taxes			
18 Interest			
19 Contributions (see instructions for 10% limitation)		1,135	
20 Depreciation (attach Form 4562)		125,975	
21 Less depreciation claimed in Schedule A and elsewhere on return		125,975	
22 Depletion			
23 Advertising		8,997	
24 Pension, profit-sharing, etc. plans		88,370	
25 Employee benefit programs		14,167	
26 Other deductions (attach schedule)		1,114,985	
27 TOTAL deductions—Add lines 12 through 26 and enter here		2,239,782	
28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)		159,400	
29 Less: a Net operating loss deduction (see instructions)			
b Special deductions (Schedule C)		12,215	
29c		12,215	
30 Taxable income (line 28 less line 29c)		147,185	
31 TOTAL TAX (Schedule J)		46,589	
32 Payments:			
a 1984 overpayment allowed as a credit		18,117	
b 1985 estimated tax payments		106,039	
c Less 1985 refund applied for on Form 4466		()	
d Tax deposited with Form 7004		124,156	
e Credit from regulated investment companies (attach Form 2439)		-0-	
f Credit for Federal tax on gasoline and special fuels (attach Form 4136)			
32		124,156	
33 Enter any PENALTY for underpayment of estimated tax—check <input type="checkbox"/> if Form 2220 is attached			
34 TAX DUE—If the total of lines 31 and 33 is larger than line 32, enter AMOUNT OWED			
35 OVERPAYMENT—If line 32 is larger than the total of lines 31 and 33, enter AMOUNT OVERPAID		77,567	
36 Enter amount of line 35 you want: Credited to 1986 estimated tax <u>47,000</u> Refunded <u>30,567</u>			

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed ☐

Preparer's social security number

Firm's name (or yours, if self-employed) and address

ARCHER, BULMAHN & CO.
PASADENA, CA

E.I. No. 95 2131722

ZIP code 91106

BR001318

Schedule A Cost of Goods Sold and/or Operations (See instructions for line 2, page 1)

1	Inventory at beginning of year.	1	
2	Purchases	2	
3	Cost of labor	3	
4	Other costs (attach schedule).	4	
5	Total—Add lines 1 through 4.	5	
6	Inventory at end of year.	6	
7	Cost of goods sold and/or operations—Line 5 less line 6. Enter here and on line 2, page 1	7	9908707

SEE STATEMENT ATTACHED

8 a Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4 (see instructions)

(iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)

(iv) ☐ Other (Specify method used and attach explanation) ▶

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **8c** ☐

d If you are engaged in manufacturing, did you value your inventory using the full absorption method (Regulations section 1.471-11)? ☐ Yes ☐ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No

If "Yes," attach explanation.

Schedule C Dividends and Special Deductions (See instructions for Schedule C)

	(a) Dividends received	(b) %	(c) Special deductions: multiply (a) X (b)
1 Domestic corporations subject to 85% deduction (other than debt-financed stock)	14370	85	12215
2 Debt-financed stock of domestic corporations (section 246A)		see instructions	
3 Certain preferred stock of public utilities		59.13	
4 Foreign corporations subject to 85% deduction		85	
5 Wholly-owned foreign subsidiaries and FSCs subject to 100% deduction (sections 245(b) and (c))		100	
6 Total—Add lines 1 through 5. See instructions for limitation			12215
7 Affiliated groups subject to the 100% deduction (section 243(a)(3))		100	
8 Other dividends from foreign corporations not included in lines 4 and 5			
9 Income from controlled foreign corporations under subpart F (attach Forms 5471)			
10 Foreign dividend gross-up (section 78)			
11 IC-DISC or former DISC dividends not included in line 1 and/or 2 (section 246(d))			
12 Other dividends			
13 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)			
14 Total dividends—Add lines 1 through 12. Enter here and on line 4, page 1	14370		
15 Total deductions—Add lines 6, 7 and 13. Enter here and on line 29b, page 1			12215

Schedule E Compensation of Officers (See instructions for line 12, page 1)

Complete Schedule E only if total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120) are \$150,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

SEE STATEMENT ATTACHED

Total compensation of officers—Enter here and on line 12, page 1.

207593

Schedule F Bad Debts—Reserve Method (See instructions for line 15, page 1)

(a) Year	(b) Trade notes and accounts receivable outstanding at end of year	(c) Sales on account	Amount added to reserve		(f) Amount charged against reserve	(g) Reserve for bad debts at end of year
			(d) Current year's provision	(e) Recoveries		
1980						
1981						
1982						
1983						
1984						
1985						

SEE STATEMENT ATTACHED

Schedule J Tax Computation
 (See instructions)

- 1 Check if you are a member of a controlled group (see sections 1561 and 1563) ☐
- 2 If line 1 is checked, see instructions and enter your portion of the \$25,000 amount in each taxable income bracket:

a \$ b \$ c \$ d \$

- 3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D ☐

- 4 a Foreign tax credit (attach Form 1118).
 b Possessions tax credit (attach Form 5735).
 c Orphan drug credit (attach Form 6765).
 d Credit for fuel produced from a nonconventional source (see instructions).
 e Research credit (attach Form 6765).
 f General business credit. Enter here and check which forms are attached ☐ Form 3800 ☒ Form 3468 ☐ Form 5884
☐ Form 6478 ☐ Form 8007

4a
b
c
d
e
f

917

- 5 Total—Add lines 4a through 4f
 6 Line 3 less line 5
 7 Personal holding company tax (attach Schedule PH (Form 1120)).
 8 Tax from recomputing prior-year investment credit (attach Form 4255).
 9 Minimum tax on tax preference items (see instructions—attach Form 4626).
 10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1

Additional Information (See instruction F)

- H Did the corporation claim a deduction for expenses connected with:

- (1) Entertainment facility (boat, resort, ranch, etc.)? ☒
 (2) Living accommodations (except employees on business)? ☒
 (3) Employees attending conventions or meetings outside the North American area? (See section 274(h).) ☒
 (4) Employees' families at conventions or meetings? ☒
 If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h).)
 (5) Employee or family vacations not reported on Form W-2? ☒

- I (1) Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) ☒
 If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) before NOL and special deductions (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by the corporation to such corporation during the year; and (e) highest amount owed to the corporation by such corporation during the year.

- (2) Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e). ☒

- (a) Attach a schedule showing name, address, and identifying number.
 (b) Enter percentage owned ☐
 (c) Was the owner of such voting stock a person other than a U.S. person? (See instructions.) (Note: If "Yes," the corporation may have to file Form 5472.) ☐
 If "Yes," enter owner's country ☐
 (d) Enter highest amount owed by the corporation to such owner during the year ☐
 (e) Enter highest amount owed to the corporation by such owner during the year ☐

(Note: For purposes of I(1) and I(2), "highest amount owed" includes loans and accounts receivable/payable.)

- J Refer to the list in the instructions and state the principal:
 Business activity ☒ Distribution
 Product or service ☒ Petroleum Products
 K Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) ☒
 If "Yes," attach Form 5471 for each such corporation.
 L At any time during the tax year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? ☒
 (See instruction F for exceptions and filing requirements for form TD F 90-22.1.)
 If "Yes," write the name of the foreign country ☐

- M Was the corporation the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the corporation has any beneficial interest in it? ☒
 If "Yes," the corporation may have to file Forms 3520, 3520-A or 926.

- N During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) ☒
 If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

- O During this tax year did the corporation maintain any part of its accounting/ tax records on a computerized system? ☒

- P Check method of accounting:
 (1) ☐ Cash
 (2) ☒ Accrual
 (3) ☐ Other (specify) ☐

Schedule L Balance Sheets

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		520656		490713
2 Trade notes and accounts receivable	1621143		1302377	
a Less allowance for bad debts	49272	1571871	16884	1285493
3 Inventories		627551		597297
4 Federal and State government obligations				
5 Other current assets (attach schedule)		84004		212385
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule) <i>STOCK</i>				414809
9 Buildings and other depreciable assets	1029414		1048880	
a Less accumulated depreciation	629075	400339	712041	336839
10 Depletable assets				
a Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
a Less accumulated amortization				
13 Other assets (attach schedule)		8503		47879
14 Total assets		3212924		3385415
Liabilities and Stockholders' Equity				
15 Accounts payable		1115805		1117996
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)		261456		212309
18 Loans from stockholders				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock: a Preferred stock				
b Common stock	5274	5274	5407	5407
22 Paid-in or capital surplus		42184		105724
23 Retained earnings—Appropriated (attach schedule)				
24 Retained earnings—Unappropriated		2092380		2248154
25 Less cost of treasury stock		(304175)		(304175)
26 Total liabilities and stockholders' equity		3212924		3385415

Schedule M-1 Reconciliation of Income Per Books With Income Per Return

Do not complete this schedule if the total assets on line 14, column (d), of Schedule L are less than \$25,000.

1 Net income per books	155774	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax	46589	a Tax-exempt interest \$	
3 Excess of capital losses over capital gains		<i>Form 4797 Diff</i>	530
4 Income subject to tax not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		a Depreciation \$	27921
a Depreciation \$	1433	b Contributions carryover \$	
b Contributions carryover \$		<i>Ca Franchise Tax</i>	38433
<i>Penalties</i>	765	9 Total of lines 7 and 8	66884
<i>Ca Franchise Tax</i>	21723	10 Income (line 28, page 1)—line 6 less line 9	159400
6 Total of lines 1 through 5	226284		

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24, Schedule L)

Do not complete this schedule if the total assets on line 14, column (d), of Schedule L are less than \$25,000.

1 Balance at beginning of year	2092380	5 Distributions: a Cash	
2 Net income per books	155774	b Stock	
3 Other increases (itemize)		c Property	
		6 Other decreases (itemize)	
		7 Total of lines 5 and 6	
4 Total of lines 1, 2, and 3	2248154	8 Balance at end of year (line 4 less line 7)	2248154

Computation of Investment Credit

OMB No 1545-0155

1985
24

► Attach to your tax return.
► Schedule B (Business Energy Investment Credit) on back.

Name(s) as shown on return

Angeles Chemical Co. Inc.

Identifying number

95-2748321

Part I Elections (Check the box(es) below that apply to you (See instruction D).)

- A I elect to increase my qualified investment to 100% for certain commuter highway vehicles placed in service before January 1, 1986 (section 46(c)(6)) ☐
- B I elect to increase my qualified investment by all qualified progress expenditures made this and all later tax years ☐
Enter total qualified progress expenditures included in column (4), Part II ►
- C I claim full credit on certain ships under section 46(g)(3) (See instruction B for details.) ☐

Part II Qualified Investment (See instructions for rules on automobiles and other property with any personal use)

1 Recovery Property		Line	(1) Class of Property	(2) Cost or Other Basis	(3) Applicable Percentage	(4) Qualified Investment (Column 2 x column 3)
Regular Percentage	New Property	(a)	3-year		60	
		(b)	Other		100	
	Used Property	(c)	3-year		60	
		(d)	Other		100	
Section 48(c) Election to Reduce Credit (instead of adjusting basis)	New Property	(e)	3-year		40	
		(f)	Other	11459	80	9167
	Used Property	(g)	3-year		40	
		(h)	Other		80	
2 Nonrecovery property—Enter total qualified investment (See instructions for line 2)					2	
3 New commuter highway vehicle—Enter total qualified investment (See Instruction D(1))					3	
4 Used commuter highway vehicle—Enter total qualified investment (See Instruction D(1))					4	
5 Total qualified investment in 10% property—Add lines 1(a) through 1(h), 2, 3, and 4 (See instructions for special limits)					5	9167
6 Qualified rehabilitation expenditures—Enter total qualified investment for:						
a 30-year-old buildings					6a	
b 40-year-old buildings					6b	
c Certified historic structures (You must attach NPS certification—see instructions)					6c	

Part III Tentative Regular Investment Credit

7 10% of line 5	7	<i>917</i>
8 15% of line 6a	8	
9 20% of line 6b	9	
10 25% of line 6c	10	
11 Credit from cooperatives—Enter regular investment credit from cooperatives	11	
12 Regular investment credit—Add lines 7 through 11	12	<i>917</i>
13 Business energy investment credit—From line 11 of Schedule B (see back of this form)	13	
14 Current year investment credit—Add lines 12 and 13	14	<i>917</i>

Note: If you have a 1985 jobs credit (Form 5884), credit for alcohol used as fuel (Form 6478), or employee stock ownership plan (ESOP) credit (Form 8007) in addition to your 1985 investment credit, or if you have a carryback or carryforward of any general business credit, stop here and go to Form 3800, General Business Credit, to claim your 1985 investment credit. If you have only a 1985 investment credit (which may include business energy investment credit), you may continue with lines 15 through 20 to claim your credit.

Part IV Tax Liability Limitations

15 a Individuals—From Form 1040, enter amount from line 46	15	<i>47455</i>
b Corporations—From Form 1120, Schedule J, enter tax from line 3 (or Form 1120-A, Part I, line 1).		
c Other filers—Enter income tax before credits from return.		
16 a Individuals—From Form 1040, enter credit from line 47, plus any orphan drug, nonconventional source fuel, and research credits included on line 49	16	
b Corporations—From Form 1120, Schedule J, enter credits from lines 4(a) through 4(e) (Form 1120-A filers, enter zero)		
c Other filers—See instructions for line 16c		
17 Income tax liability as adjusted (subtract line 16 from line 15).	17	<i>47455</i>
18 a Enter smaller of line 17 or \$25,000. (See instructions for line 18)	18a	<i>25000</i>
b If line 17 is more than \$25,000—Enter 85% of the excess.	18b	<i>19087</i>
19 Investment credit limitation—Add lines 18a and 18b	19	<i>44087</i>
20 Total allowed credit—Enter the smaller of line 14 or line 19. This is your General Business Credit for 1985. Enter here and on Form 1040, line 48; Form 1120, Schedule J, line 4(f); Form 1120-A, Part I, line 2; or the proper line of other returns	20	<i>917</i>

For Paperwork Reduction Act Notice, see separate instructions.

Form 3468 (1985)

BR001322

Recapture of Investment Credit

(Including Energy Investment Credit)
▶ Attach to your income tax return.

Name(s) as shown on return

Angeles Chemical Co. Inc

Identifying number

95-2748321

Properties	Kind of property—State whether recovery or nonrecovery (see the Instructions for Form 3468 for definitions). If energy property, show type. Also indicate if rehabilitation expenditure property.
A	<i>CAPITALIZED REPAIRS - DRUM TRUCK</i>
B	
C	
D	
E	

	Computation Steps: (see Specific Instructions)	Properties				
		A	B	C	D	E
Original Investment Credit	1 Original rate of credit	<i>10%</i>				
	2 Date property was placed in service	<i>6/81</i>				
	3 Cost or other basis	<i>2525</i>				
	4 Original estimated useful life or class of property	<i>5 yrs</i>				
	5 Applicable percentage	<i>100%</i>				
	6 Original qualified investment (line 3 times line 5)	<i>2525</i>				
	7 Original credit (line 1 times line 6)	<i>253</i>				
	8 Date property ceased to be qualified investment credit property	<i>10/85</i>				
	9 Number of full years between the date on line 2 and the date on line 8	<i>4</i>	<i>1</i>			
Computation of Recapture Tax	10 Recapture percentage (from instructions)	<i>20%</i>				
	11 Tentative recapture tax (line 7 times line 10)	<i>51</i>				
	12 Add line 11, columns A through E					<i>51</i>
	13 Enter tax from property ceasing to be at risk, or for which there was an increase in nonqualified nonrecourse financing (attach separate computation)					
	14 Total—Add lines 12 and 13					<i>51</i>
	15 Portion of original credit (line 7) not used to offset tax in any year, plus any carryback and carryforward of credits you can now apply to the original credit year because you have freed up tax liability in the amount of the tax recaptured (Do not enter more than line 14—see instructions)					
	16 Total increase in tax—Subtract line 15 from line 14. Enter here and on the proper line of your tax return.					<i>51</i>

General Instructions

(Section references are to the Internal Revenue Code, unless otherwise noted.)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form.—Use Form 4255 to figure the increase in tax for the recapture of investment credit for regular and energy property. You must refigure the credit if you took it in an earlier year, but disposed of the property before the end of the recapture period or the useful life you used to figure the original credit. You must also refigure the credit if you changed the use of the property so that it no longer qualifies as regular or energy investment credit property. For example, you

must refigure the credit if you change the use of property from business use to personal use, or if there is any decrease in the percentage of business use of investment credit property. See sections 47(a)(3) and 47(a)(5)(C) for information on recapture for progress expenditure property. Also, see the instructions for line 13 regarding recapture if property ceases to be at risk, or if there is an increase in nonqualified, nonrecourse financing related to certain at-risk property placed in service after July 18, 1984.

Depreciation and Amortization

1985

67

Department of the Treasury
Internal Revenue Service (O)

- ▶ See separate instructions.
▶ Attach this form to your return.

Name(s) as shown on return

Angeles Chemical Co. Inc.

Identifying number

95-2748321

Business activity to which this form relates

Part I Depreciation

Use Part III, Specific Information Concerning Automobiles and other Listed Property, for certain transportation equipment (e.g. autos), amusement/recreation property, and computer/peripheral equipment.

Section A.—Election to Expense Recovery Property (Section 179)

(a) Class of property	(b) Cost	(c) Expense deduction
1		
2 Listed property—Enter total from Part III, Section A, column (h)		
3 Total (see instructions for limitations). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S)		

Section B.—Depreciation of Recovery Property

(a) Class of property	(b) Date placed in service	(c) Cost or other basis	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
4 Accelerated Cost Recovery System (ACRS) (see instructions): For assets other than automobiles and other listed property placed in service ONLY during tax year beginning in 1985					
a 3-year property					
b 5-year property		42,325	5 yrs	Pre	6,349
c 10-year property					
d 15-year public utility property					
e Low-income housing					
f 15-year real property					
g 18-year real property					
(See "Items You Should Note")	12/85	20,742	19 yrs	Pre	726
5 Listed property—Enter total from Part III, Section A, column (g)					3,765
6 ACRS deduction for assets other than automobiles and other listed property placed in service prior to 1985 (see instructions)					111,200

Section C.—Depreciation of Nonrecovery Property

7 Property subject to section 168(e)(2) election (see instructions)	
8 Other depreciation (see instructions)	3,935

Section D.—Summary

9 Total (Add deductions on lines 3 through 8). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 3.)	125,975
---	---------

Part II Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year

Total. Enter here and on Other Deductions or Other Expenses line of your return

See Paperwork Reduction Act Notice on page 1 of the separate instructions.

Part III**Specific Information Concerning Automobiles and Other Listed Property**

For property used 50% or less in a trade or business, the section 179 expense deduction is not allowed. For listed property used 50% or less in a trade or business, depreciation **MUST** be computed under the straight-line method.

Section A.—Depreciation of Automobiles and Other Listed Property (see instructions for limitations)

Item No.	(a) Description (list vehicles first)	(b) Date placed in service	(c) Business use percentage (%)	(d) Cost or other basis	(e) Recovery period	(f) Method of figuring depreciation	(g) Deduction	(h) Section 179 expense
1	1984 JAGUAR	12/83	57%	5529	3yr	Pre	2046	
2	1982 OLDSMOBILE	4/84	100%	4647	✓	✓	1719	
3								
4								
5								
6								
7								
8								
9								
Total (Enter here and on line 2, page 1.)								
Total (Enter here and on line 5, page 1.)							3765	

Section B.—Questions Regarding Use of Automobiles and Other Listed Property*To Be Completed by All Filers:*

1 Do you have evidence, for all the listed property above, to support the business use percentage claimed?

Yes No

X

2 Is the evidence written?

X

To Be Completed by Employers Who Provide Vehicles for Use by Employees:

3 Do you maintain a written policy statement, meeting the conditions described in the instructions, that prohibits all personal use of vehicles, including commuting, by your employees?

X

If "Yes," do not complete items 6 through 12 for any of the vehicles furnished to employees that are covered by the written policy statement.

4 Do you maintain a written policy statement, meeting the conditions described in the instructions, that prohibits personal use of vehicles, except commuting, by your employees?

X

If "Yes" you must complete items 6 through 12: (a) only for those vehicles furnished to "disqualified persons" even if they are covered by the statement; and (b) for all vehicles not covered by the statement.

5 Do you provide more than five vehicles to your employees, or treat all use of vehicles by employees as personal use?

X

If "Yes," you do not have to answer questions 6 through 12: (a) for vehicles furnished to other than disqualified persons, or (b) if you treat all use of vehicles by employees as personal use. You must retain the information received from your employees regarding the use of the vehicles.

Section C.—Information Regarding Use of Vehicles

	Vehicle 1		Vehicle 2		Vehicle 3		Vehicle 4		Vehicle 5		Vehicle 6	
6 Total miles driven during the year	31678											
7 Total business miles driven during the year	18056											
8 Total commuting miles driven during the year	7828											
9 Total other personal (non-commuting) miles driven	5794											
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10 Was the vehicle available for personal use during off-duty hours?	X											
11 Is another vehicle available for personal use?	X											
12 Was the vehicle used primarily by a disqualified person?	X											

Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions
(And Computation of Recapture Amounts Under Sections 179 and 280F)
▶ Attach to your tax return. See Separate Instructions

OMB No. 1545-0184

1985
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Name(s) as shown on return

Ames Chemical Co. Inc.

Identifying number

95-2748321

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty and Theft—Property Held More Than 6 months (More Than 1 Year if Acquired Before 6/23/84)

- Notes:**
- Use Form 4684 to report involuntary conversions from casualty and theft.
 - If you sold property that you claimed investment credit on, get Form 4255 to see if you are liable for recapture of the credit.
 - File Form 6198 if you are reporting a loss and have amounts invested in the activity for which you are not at risk. (See instructions under "Special Rules.")

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed (or allowable) since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
<i>1 Automobile</i>	<i>8/80</i>	<i>4/86</i>	<i>1000</i>	<i>9000</i>	<i>11468</i>	<i>1468</i>	

- 2 Gain, if any, from Form 4684, Section B, line 21
- 3 Section 1231 gain from installment sales from Form 6252, line 22 or 30
- 4 Gain, if any, on line 31 from other than casualty and theft
- 5 Add lines 1 through 4 in column (g) and column (h) *(1468)*
- 6 Combine columns (g) and (h) of line 5. Enter gain or (loss) here, and on the appropriate line as follows (Partnerships see the instructions for your line references): *<14687*
- a If line 6 is zero or a loss, enter the amount on line 9 below and skip lines 7 and 8. (S corporations, enter the loss on Schedule K (Form 1120S), line 5.)
- b If line 6 is a gain, see the instructions under Part I, Nonrecaptured Net Section 1231 Losses.
- Note:** If you had no prior year section 1231 losses and line 6 is a gain, enter the gain from line 6 as a long-term capital gain on Schedule D.
- 7 Nonrecaptured net section 1231 losses from prior years. (See instructions.)
- 8 Subtract line 7 from line 6. If zero or less, enter zero
- a If line 8 is zero, enter the amount from line 6 on line 10 below.
- b If line 8 is more than zero, enter the amount from line 7 on line 10 below, and enter the amount from line 8 as a long-term capital gain on Schedule D. See specific instructions for line 8b.

Part II Ordinary Gains and Losses

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed (or allowable) since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
9 Loss, if any, from line 6						<i><14687</i>	
10 Gain, if any, from line 6 or amount from line 7 if applicable							
11 Gain, if any, from line 30, Part III							<i>270</i>
12 Net gain or (loss) from Form 4684, Section B, lines 13 and 20a							
13 Ordinary gain from installment sales from Form 6252, line 21 or 29 (Applies only to sales before 6/7/84)							
14 Recapture of section 179 deduction on property dispositions by partners and S corporation shareholders (see instructions)							
15 Other ordinary gains and losses (include property held 6 months or less (1 year or less if acquired before 6/23/84)):							

- 16 Add lines 9 through 15 in column (g) and column (h) *(1468)* *270*
- 17 Combine columns (g) and (h) of line 16. Enter gain or (loss) here, and on the appropriate line as follows: *<11987*
- a For all except individual returns: Enter the gain or (loss) from line 17, on the return being filed. See instructions for Part II for specific line references.
- b For individual returns:
- (1) If the loss on line 9 includes a loss from Form 4684, Section B, Part II, column (b)(ii), enter that part of the loss here and on line 19 of Schedule A (Form 1040). Identify as from "Form 4797, line 17b(1)"
- (2) Redetermine the gain or (loss) on line 17, excluding the loss (if any) on line 17b(1). Enter here and on Form 1040, line 15.

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Form **4797** (1985)

BR001326

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, 1255

Skip section 1252 on line 26 and in the instructions, if you did not dispose of farmland, or if a partnership files this form.

18 Description of sections 1245, 1250, 1252, 1254, and 1255 property:		Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)
A	TRUCK	7/12-6/81	10/85
B			
C			
D			

Relate lines 18A through 18D to these columns	Property A	Property B	Property C	Property D
19 Gross sales price	800			
20 Cost or other basis plus expense of sale	6894			
21 Depreciation (or depletion) allowed (or allowable)	6364			
22 Adjusted basis, subtract line 21 from line 20	530			
23 Total gain, subtract line 22 from line 19	270			
24 If section 1245 property:				
a Depreciation allowed (or allowable) (see instructions)	6364			
b Enter smaller of line 23 or 24a	270			
25 If section 1250 property: (If straight line depreciation used, enter zero on line 25g unless you are a corporation subject to section 291.)				
a Additional depreciation after 12/31/75				
b Applicable percentage times the smaller of line 23 or line 25a (see instructions)				
c Subtract line 25a from line 23. If line 23 is not more than line 25a, skip lines 25d and 25e				
d Additional depreciation after 12/31/69 and before 1/1/76				
e Applicable percentage times the smaller of line 25c or 25d (see instructions)				
f Section 291 amount (For corporations only.)				
g Add lines 25b, 25e, and 25f				
26 If section 1252 property:				
a Soil, water, and land clearing expenses				
b Line 26a times applicable percentage (see instructions)				
c Enter smaller of line 23 or 26b				
27 If section 1254 property:				
a Intangible drilling and development costs deducted after 12/31/75 (see instructions)				
b Enter smaller of line 23 or 27a				
28 If section 1255 property:				
a Applicable percentage of payments excluded from income under section 126 (see instructions)				
b Enter the smaller of line 23 or 28a				

Summary of Part III Gains (Complete property columns A through D through line 28b before going to line 29)

29 Total gains for all properties (add columns A through D, line 23)	270
30 Add columns A through D, lines 24b, 25g, 26c, 27b, and 28b. Enter here and in Part II, line 11	270
31 Subtract line 30 from line 29. Enter the portion from casualty and theft on Form 4684, Section B, line 15; enter the portion from other than casualty and theft on Form 4797, Part I, line 4.	-0-

Part IV Complete This Part Only If You Elect Out of the Installment Method And Report a Note or Other Obligation at Less Than Full Face Value☐ Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation

Enter the percentage of valuation of the note or other obligation

Part V Computation of Recapture Amounts Under Sections 179 and 280F When Business Use Drops to 50% or Less (See instructions for Part V.)

	(a) Section 179	(b) Section 280F
1 Section 179 expense deduction or section 280F recovery deductions		
2 Depreciation (see instructions)		
3 Recapture amount. (Subtract line 2 from line 1.)		

NAME Angelo Chemical Co. Inc. IDENTIFICATION NO. 95-2748321
 STATEMENT NO. 1 YEAR ENDED 4/30/86

SUPPLEMENTARY SCHEDULE FOR CORPORATIONS
COST OF GOODS SOLD

INVENTORY AT BEGINNING OF YEAR	627551
MERCHANDISE BOUGHT FOR MANUFACTURE OR SALE	9878453
SALARIES AND WAGES	
OTHER COSTS (ATTACH SCHEDULE)	
TOTAL	10506004
LESS INVENTORY AT END OF YEAR	597297
COST OF GOODS SOLD	9908707
METHOD OF INVENTORY VALUATION	

COMPENSATION OF OFFICERS

NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF OFFICER	TITLE	TIME DEVOTED TO BUSINESS	PERCENT OF CORPORATION STOCK OWNED		AMOUNT OF COMPENSATION	EXPENSE ACCOUNT ALLOWANCES
			COMMON	PREFERRED		
JOHN LOCKE 353-14-6341	Pres	ALL	37%		183193	
ROBERT BERG 549-38-9548	V.P.	AS REQ	37%		24400	
TOTAL					207593	

BAD DEBTS - RESERVE METHOD

YEAR	TRADE NOTES AND ACCTS. RECEIVABLE OUTSTANDING AT END OF YEAR	SALES ON ACCOUNT	AMOUNT ADDED TO RESERVE		AMOUNT CHARGED AGAINST RESERVE	RESERVE FOR BAD DEBTS AT END OF YEAR
			CURRENT YEAR'S PROVISION	RECOVERIES		
980	1898077	14465041	12155	1435	10038	36163
981	1944420	16011940	30275	639	28189	38888
982	1897667	15023595	6235	9384	26554	27953
983	1696218	14455259	-0-	16866	-0-	44819
984	1621143	13519928	-0-	6014	1561	49272
985	1302377	12128721	-0-	70	32458	16884

TAXES

Sec. of State	5
Business licenses & permits	3893
DMV fees	7292
Fuel & Use Tax	885
Property taxes	6239
Payroll taxes	53669
Ca Franchise Tax	38433
TOTAL	110416

CONTRIBUTIONS

Jewish Welfare Fund	250
Boy Scouts	200
SoCal Paint & Coatings (ELAPP)	500
Misc. Charities	185
TOTAL	1135

OTHER DEDUCTIONS

EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
Plant & Lab Expense	14850	Computer expense	8942
Truck expense	36752	Prof. Services	43500
Auto & travel	66305	Business Promotion	41537
Salesmen expenses	8538	Commissions	243119
Freight out	214815	Directors fees	9000
Drum maintenance	126819	Insurance	120767
Tank testing expense	2366	Buss & Subs	5912
Supplies & printing	36194	Telephone & Utilities	40993
Outside labor	18423	Consulting expense	47917
Equip. rental	4345	Miscellaneous	149
Office supplies	6886		
Genl. & Admin. exps	16856	TOTAL	1114985

BR001328

NAME Amesley Chemical Co., Inc

IDENTIFICATION NO. 95-2748321

STATEMENT NO. 2

YEAR ENDED 4/30/86

		YEAR ENDED		7-1-85		7-1-86	
<u>Line 10 - Other Income</u>							
Discounts Earned	2	731					
Demurrage	4	712					
Drums & Pails		438					
Leasing Income	21	483					
Salary reimbursement	15	448					
Terminals charges	83	350					
Misc.		49					
	128	2,111					
<u>Other Current Assets</u>							
Accts Rec - Other	2	837					
Advances		125					
Prepaid expenses	115	143					
Prepaid Income Taxes	94	280					
	212	385					
<u>Other Assets</u>							
Deposits	8	113					
Construction in Process	39	766					
	47	879					
<u>Other Current Liabilities</u>							
Accrued Payroll	8	714					
Accrued Commissions	32	655					
Sales tax payable	8	351					
Customer deposits	159	421					
Employee Benefits		(60)					
Accrued Profit sharing	3	228					
	212	309					
		Balance	CONTRIBUTION		BALANCE		
<u>Schedule L</u>		4/30/85	OF STOCK-ESOP		4-30-86		
Line 21 B - Common stock	5	274	133		5	407	
Line 22 - Paid-in Capital	42	184	63	540	105	724	
Line 25 - Treasury stock	(304)	175	-0-		(304)	175	
Included in Page 1, Line 24 in accordance with IRC § 404			63	673			

Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions
(And Computation of Recapture Amounts Under Sections 179 and 280F)
▶ Attach to your tax return. See Separate Instructions.

OMB No. 1545-0184

1985

27

Name(s) as shown on return

Anacles Chemical Co. Inc.

Identifying number

95-2748321

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty and Theft—Property Held More Than 6 months (More Than 1 Year If Acquired Before 6/23/84)

- Notes: • Use Form 4684 to report involuntary conversions from casualty and theft.
• If you sold property that you claimed investment credit on, get Form 4255 to see if you are liable for recapture of the credit.
• File Form 6198 if you are reporting a loss and have amounts invested in the activity for which you are not at risk. (See instructions under "Special Rules.")

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed (or allowable) since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
1 <u>AUTO</u>	<u>8/80</u>	<u>4/86</u>	<u>1000</u>	<u>9000</u>	<u>11468</u>	<u>1468</u>	

2 Gain, if any, from Form 4684, Section B, line 21.

3 Section 1231 gain from installment sales from Form 6252, line 22 or 30.

4 Gain, if any, on line 31 from other than casualty and theft.

5 Add lines 1 through 4 in column (g) and column (h).

(1468)

6 Combine columns (g) and (h) of line 5. Enter gain or (loss) here, and on the appropriate line as follows (Partnerships see the instructions for your line references.):

< 1468 >

a If line 6 is zero or a loss, enter the amount on line 9 below and skip lines 7 and 8. (S corporations, enter the loss on Schedule K (Form 1120S), line 5.)

b If line 6 is a gain, see the instructions under Part I, Nonrecaptured Net Section 1231 Losses.

Note: If you had no prior year section 1231 losses and line 6 is a gain, enter the gain from line 6 as a long-term capital gain on Schedule D.

7 Nonrecaptured net section 1231 losses from prior years. (See instructions.)

8 Subtract line 7 from line 6. If zero or less, enter zero.

a If line 8 is zero, enter the amount from line 6 on line 10 below.

b If line 8 is more than zero, enter the amount from line 7 on line 10 below, and enter the amount from line 8 as a long-term capital gain on Schedule D. See specific instructions for line 8b.

Part II Ordinary Gains and Losses

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed (or allowable) since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
9 Loss, if any, from line 6.						(<u>1468</u>)	
10 Gain, if any, from line 6 or amount from line 7 if applicable.							
11 Gain, if any, from line 30, Part III.							<u>800</u>
12 Net gain or (loss) from Form 4684, Section B, lines 13 and 20a.							
13 Ordinary gain from installment sales from Form 6252, line 21 or 29 (Applies only to sales before 6/7/84).							
14 Recapture of section 179 deduction on property dispositions by partners and S corporation shareholders (see instructions).							
15 Other ordinary gains and losses (include property held 6 months or less (1 year or less if acquired before 6/23/84)).							

16 Add lines 9 through 15 in column (g) and column (h).

(1468)

800

17 Combine columns (g) and (h) of line 16. Enter gain or (loss) here, and on the appropriate line as follows:

< 668 >

a For all except individual returns: Enter the gain or (loss) from line 17, on the return being filed. See instructions for Part II for specific line references.

b For individual returns:

(1) If the loss on line 9 includes a loss from Form 4684, Section B, Part II, column (b)(ii), enter that part of the loss here and on line 19 of Schedule A (Form 1040). Identify as from "Form 4797, line 17b(1)".

(2) Redetermine the gain or (loss) on line 17, excluding the loss (if any) on line 17b(1). Enter here and on Form 1040, line 15.

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, 1255

Skip section 1252 on line 26 and in the instructions, if you did not dispose of farmland, or if a partnership files this form.

18 Description of sections 1245, 1250, 1252, 1254, and 1255 property:		Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)
A	TRUCK	7/72-6/81	10/85
B			
C			
D			

Relate lines 18A through 18D to these columns		Property A	Property B	Property C	Property D
19	Gross sales price	800			
20	Cost or other basis plus expense of sale	6894			
21	Depreciation (or depletion) allowed (or allowable)	6894			
22	Adjusted basis, subtract line 21 from line 20	-0-			
23	Total gain, subtract line 22 from line 19	800			
24	If section 1245 property:				
a	Depreciation allowed (or allowable) (see instructions)	6894			
b	Enter smaller of line 23 or 24a	800			
25	If section 1250 property: (If straight line depreciation used, enter zero on line 25g unless you are a corporation subject to section 291.)				
a	Additional depreciation after 12/31/75				
b	Applicable percentage times the smaller of line 23 or line 25a (see instructions)				
c	Subtract line 25a from line 23. If line 23 is not more than line 25a, skip lines 25d and 25e.				
d	Additional depreciation after 12/31/69 and before 1/1/76				
e	Applicable percentage times the smaller of line 25c or 25d (see instructions)				
f	Section 291 amount (For corporations only.)				
g	Add lines 25b, 25e, and 25f				
26	If section 1252 property:				
a	Soil, water, and land clearing expenses				
b	Line 26a times applicable percentage (see instructions)				
c	Enter smaller of line 23 or 26b				
27	If section 1254 property:				
a	Intangible drilling and development costs deducted after 12/31/75 (see instructions)				
b	Enter smaller of line 23 or 27a				
28	If section 1255 property:				
a	Applicable percentage of payments excluded from income under section 126 (see instructions)				
b	Enter the smaller of line 23 or 28a				

Summary of Part III Gains (Complete property columns A through D through line 28b before going to line 29)

29	Total gains for all properties (add columns A through D, line 23)	800
30	Add columns A through D, lines 24b, 25g, 26c, 27b, and 28b. Enter here and in Part II, line 11	800
31	Subtract line 30 from line 29. Enter the portion from casualty and theft on Form 4684, Section B, line 15; enter the portion from other than casualty and theft on Form 4797, Part I, line 4.	-0-

Part IV Complete This Part Only If You Elect Out of the Installment Method And Report a Note or Other Obligation at Less Than Full Face Value☐ Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation

Enter the percentage of valuation of the note or other obligation

Part V Computation of Recapture Amounts Under Sections 179 and 280F When Business Use Drops to 50% or Less (See instructions for Part V.)

	(a) Section 179	(b) Section 280F
1	Section 179 expense deduction or section 280F recovery deductions	
2	Depreciation (see instructions)	
3	Recapture amount. (Subtract line 2 from line 1.)	

Depreciation and Amortization

TAX YEAR

1985

Name(s) as shown on return

identifying number

Angeles Chemical Co. Inc

95-2748321

Part I Depreciation

a Description of property	b Date acquired	c Cost or other basis	d Depreciation allowed or allowable in earlier years	e Method of figuring depreciation	f Life or rate	g Depreciation for this year
---------------------------	-----------------	-----------------------	--	-----------------------------------	----------------	------------------------------

1 Total additional first-year depreciation. See instructions for limitation. Do not include below

2 Other depreciation (see instructions):

SEE STATEMENT ATTACHED

3 Total. Enter here and on the Depreciation line of your return and/or schedule(s)

98054

Part II Amortization of Property

[illegible]

Total. Enter here and on the other deduction line of your return and/or schedule(s)

FOUR YEAR DEPRECIATION SCHEDULE

STMT #3

CALIF. 131065

TAXPAYER								TAXPAYER NO.				
ANGELES CHEMICAL CO. INC.								95-2748321				
KIND OF PROPERTY	DATE ACQ.	COST OR BASIS	BASIS ADJUST.		BASIS FOR DEPREC.	LIFE	METHOD	PRIOR DEPREC.	4/30	12/31	12/31	12/31
			ADD'L FIRST YEAR	SALV. VALUE					1986	1987	1988	1989
OFFICE TRAILERS	4/74-12/78	33904				7yrs	200 DB	31062	354			
	3/81	33445				✓	✓	25649	2227			
	6/81-11/81	26750				✓	✓	18958	2227			
	5/82	822				✓	✓	522	86			
	4/85	2891				✓	✓	69	806			
		97812						76260	5700			
PLANT	8/75-3/76	225448				9yrs	200 DB	205119	-0-			
	7/76-12/80	61454				✓	✓	49167	2731			
	12/85	20742				20yrs	125 DB	-0-	540			
		307644						254286	3271			
TOTALS						-	-					

BR001333

FOUR YEAR DEPRECIATION SCHEDULE

STMT # 3

[illegible]

STMT #3

[illegible]

BR001335

FOUR YEAR DEPRECIATION SCHEDULE

51MT.#3

TAXPAYER		TAXPAYER NO.										
ANGEL'S CHEMICAL CO. INC.		45-2748521										
KIND OF PROPERTY	DATE ACQ.	COST OR BASIS	BASIS ADJUST.		BASIS FOR DEPREC.	LIFE	METHOD	PRIOR DEPREC.	4/30	19	19	19
			ADDT'L FIRST YEAR	SALV. VALUE					19 86			
TRANSPORTATION EQUIP.												
TRUCKS & TRAILERS												
*	7/72	3742				3403	SL	3742	-0-			
	4/75	12190				6103	SL	12190	-0-			
*	7/77	627				4403	SL	627	-0-			
	5/81	9500				3403	SL	9500	-0-			
*	6/81	2525				✓	✓	2525	-0-			
	11/81	2067				✓	✓	2067	-0-			
	1/82	3019				✓	✓	3019	-0-			
	5/82-6/82	7308				✓	✓	7254	54			
	9/82-11/82	86683				5403	✓	46170	17336			
	10/84-4/85	105492				✓	✓	5658	21502			
	5/85-6/85	1160				✓	✓	-0-	225			
SOLD 10/85 *		<68947						<68947				
		227419						85858	39117			
TOTALS												

FOUR YEAR DEPRECIATION SCHEDULE

STMT #3

CALIF. 1/250FS

TAXPAYER		TAXPAYER NO.										
ANGELO'S CHEMICAL CO. INC.		95-2748321										
KIND OF PROPERTY	DATE ACQ.	COST OR BASIS	BASIS ADJUST.		BASIS FOR DEPREC.	LIFE	METHOD	PRIOR DEPREC.	4/30	12/31	12/31	12/31
			ADDT'L FIRST YEAR	SALV. VALUE					1986	1987	1988	
TRANSP. EQUIP - CONT'D												
AUTOS												
*	8/80	11468		2468		34RS	SL	9000	-0-			
**	12/83	10000				✓	✓	4722	3333			
	4/84	4791				✓	✓	1730	1597			
SOLD 4/86 *		<11468>						<9000>				
** LESS 43% Pers. Use									<1433>			
		14791						6452	3497			
TOTALS - ALL PAGES												
		1048880				-	-		98054			

BR001337

Form 1120 Department of the Treasury Internal Revenue Service	U.S. Corporation Income Tax Return For calendar 1984 or tax year beginning <u>May 1</u> 1984, ending <u>April 30</u> 19 <u>85</u> For Paperwork Reduction Act Notice, see page 1 of the instructions.	OMB No. 1545-0123 <div style="font-size: 2em; font-weight: bold; text-align: center;">1984</div>
Check if a— A. Consolidated return <input type="checkbox"/> B. Personal Holding Co. <input type="checkbox"/> C. Business Code No. (See the list in the instructions) <u>5092</u>		
Use IRS label. Otherwise please print or type. <div style="display: flex; justify-content: space-between;"> <div> DB 95-2748321 APR 85 ANGELES CHEMICAL INC 8915 SORENSEN AVE SANTA FE SPRINGS CA 90670 </div> <div style="text-align: right;"> **CR 10 D95 5092 M 054 </div> </div>		
		D. Employer identification number <u>95-2748321</u> E. Date incorporated <u>11/1/71</u> F. Total assets (see Specific instructions) <u>\$3,212,924</u>
G. Check box if there has been a change in address from the previous year <input type="checkbox"/>		
Gross Income	1 (a) Gross receipts or sales (b) Less returns and allowances Balance ▶	1(c) <u>13,519,928</u>
	2 Cost of goods sold and/or operations (Schedule A)	2 <u>11,295,680</u>
	3 Gross profit (line 1(c) less line 2)	3 <u>2,224,248</u>
	4 Dividends (Schedule C)	4
	5 Interest	5 <u>68,141</u>
	6 Gross rents	6
	7 Gross royalties	7
	8 Capital gain net income (attach separate Schedule D)	8
	9 Net gain or (loss) from Form 4797, line 14(a), Part II (attach Form 4797)	9 <u>5,908</u>
	10 Other income (see instructions—attach schedule)	10 <u>153,703</u>
	11 TOTAL income—Add lines 3 through 10 and enter here ▶	11 <u>2,452,000</u>
Deductions	12 Compensation of officers (Schedule E)	12 <u>204,400</u>
	13 (a) Salaries and wages (b) Less jobs credit Balance ▶	13(c) <u>420,240</u>
	14 Repairs	14 <u>23,633</u>
	15 Bad debts (Schedule F if reserve method is used)	15
	16 Rents	16 <u>72,000</u>
	17 Taxes	17 <u>81,562</u>
	18 Interest	18 <u>12,250</u>
	19 Contributions (see instructions for 10% limitation)	19 <u>808</u>
	20 Depreciation (attach Form 4562)	20 <u>130,210</u>
	21 Less depreciation claimed in Schedule A and elsewhere on return	21(a) <u>130,210</u> 21(b) <u>130,210</u>
	22 Depletion	22
	23 Advertising	23 <u>7,808</u>
	24 Pension, profit-sharing, etc. plans	24 <u>96,463</u>
	25 Employee benefit programs	25 <u>7,916</u>
26 Other deductions (attach schedule)	26 <u>1,054,032</u>	
27 TOTAL deductions—Add lines 12 through 26 and enter here ▶	27 <u>2,111,322</u>	
28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)	28 <u>340,678</u>	
29 Less: (a) Net operating loss deduction (see instructions)	29(a)	
(b) Special deductions (Schedule C)	29(b)	
29(c)	29(c)	
30 Taxable income (line 28 less line 29(c))	30 <u>340,678</u>	
31 TOTAL TAX (Schedule J)	31 <u>124,155</u>	
Tax	32 Payments:	
	(a) 1983 overpayment allowed as a credit	<u>17,100</u>
	(b) 1984 estimated tax payments	<u>51,300</u>
	(c) Less 1984 refund applied for on Form 4466	<u>68,400</u>
	(d) Tax deposited with Form 7004	<u>80,000</u>
	(e) Credit from regulated investment companies (attach Form 2439)	
	(f) Credit for Federal tax on gasoline and special fuels (attach Form 4136)	
	32 148,400	
	33 Enter any PENALTY for underpayment of estimated tax—check <input type="checkbox"/> if Form 2220 is attached	33
	34 TAX DUE—If the total of lines 31 and 33 is larger than line 32, enter AMOUNT OWED	34
35 OVERPAYMENT—If line 32 is larger than the total of lines 31 and 33, enter AMOUNT OVERPAID	35 <u>24,245</u>	
36 Enter amount of line 35 you want: Credited to 1985 estimated tax <u>18,117</u> Refunded ▶	36 <u>6,128</u>	
Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
<div style="display: flex; justify-content: space-between;"> <div> Signature of officer <u>[Signature]</u> Date <u> </u> Title <u> </u> </div> <div style="font-size: 4em; font-weight: bold; text-align: center;">COPY</div> </div>		
Paid Preparer's Use Only Preparer's signature <u>[Signature]</u> Date <u> </u> Check if self-employed <input type="checkbox"/> Preparer's social security number <u>559 42 5878</u> Firm's name (or yours, if self-employed) and address <u>ARCHER, BULMAHN & CO.</u> E.I. No. <u>95 2131722</u> <u>PASADENA, CA</u> ZIP code <u>91106</u>		

BR001338

Schedule A Cost of Goods Sold and/or Operations
(See instructions for line 2, page 1)

1	Inventory at beginning of year.	1	
2	Purchases	2	
3	Cost of labor	3	
4	Other costs (attach schedule).	4	
5	Total—Add lines 1 through 4.	5	
6	Inventory at end of year.	6	
7	Cost of goods sold and/or operations—Line 5 less line 6. Enter here and on line 2, page 1	7	11295620

8 (a) Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4 (see instructions)

(iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)

(iv) ☐ Other (Specify method used and attach explanation) ▶

(b) Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

(c) If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO ☐ 8(c) ☐

(d) If you are engaged in manufacturing, did you value your inventory using the full absorption method (Regulations section 1.471-11)? ☐ Yes ☐ No

(e) Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No
If "Yes," attach explanation.

Schedule C Dividends and Special Deductions
(See instructions for Schedule C)

	(A) Dividends received	(B) %	(C) Special deductions; multiply (A) X (B)
1	Domestic corporations subject to 85% deduction (other than debt-financed stock)	85	
2	Debt-financed stock of domestic corporations (section 246A)	see instructions	
3	Certain preferred stock of public utilities	59.13	
4	Foreign corporations subject to 85% deduction	85	
5	Wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))	100	
6	Total—Add lines 1 through 5. See instructions for limitation		
7	Affiliated groups subject to the 100% deduction (section 243(a)(3))	100	
8	Other dividends from foreign corporations not included in lines 4 and 5		
9	Income from controlled foreign corporations under subpart F (attach Forms 5471)		
10	Foreign dividend gross-up (section 78)		
11	DISC or former DISC dividends not included in line 1 and/or 2 (section 246(d))		
12	Other dividends		
13	Deduction for dividends paid on certain preferred stock of public utilities (see instructions)		
14	Total dividends—Add lines 1 through 12. Enter here and on line 4, page 1		
15	Total deductions—Add lines 6, 7 and 13. Enter here and on line 29(b), page 1		

Schedule E Compensation of Officers (See instructions for line 12, page 1)

Complete Schedule E only if total receipts (line 1(a), plus lines 4 through 10, of page 1, Form 1120) are \$150,000 or more.

1. Name of officer	2. Social security number	3. Percent of time devoted to business	Percent of corporation stock owned		6. Amount of compensation
			4. Common	5. Preferred	
		%	%	%	
		%	%	%	
SEE SCHEDULE		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

Total compensation of officers—Enter here and on line 12, page 1.

204400

Schedule F Bad Debts—Reserve Method (See instructions for line 15, page 1)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1979						
1980						
1981	SEE SCHEDULE					
1982						
1983						
1984						

Schedule J Tax Computation

(See instructions)

1 Check if you are a member of a controlled group (see sections 1561 and 1563) ☐

2 If line 1 is checked, see instructions and enter your portion of the \$25,000 amount in each taxable income bracket:

(i) \$ (ii) \$ (iii) \$ (iv) \$

3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D ☐ **3** 136462

4 (a) Foreign tax credit (attach Form 1118) **4(a)** 13100

(b) Possessions tax credit (attach Form 5735) **(b)**

(c) Orphan drug credit (attach Form 6765) **(c)**

(d) Credit for fuel produced from a nonconventional source (see instructions) **(d)**

(e) Research credit (attach Form 6765) **(e)**

(f) General business credit. Enter here and check which forms are attached ☐ Form 3800 ☒ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 8007 **(f)**

5 Total—Add lines 4(a) through 4(f) **5** 13100

6 Line 3 less line 5 **6** 123362

7 Personal holding company tax (attach Schedule PH (Form 1120)) **7**

8 Tax from recomputing prior-year investment credit (attach Form 4255) **8** 793

9 Minimum tax on tax preference items (see instructions—attach Form 4626) **9**

10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1 **10** 124155

Additional Information (See instruction F)**H** Did the corporation claim a deduction for expenses connected with:

- (1) Entertainment facility (boat, resort, ranch, etc.)? ☒
- (2) Living accommodations (except employees on business)? ☒
- (3) Employees attending conventions or meetings outside the North American area? (See section 274(h).) ☒
- (4) Employees' families at conventions or meetings? ☒
If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h).) ☒
- (5) Employee or family vacations not reported on Form W-2? ☒

I (1) Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) ☒

If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) before NOL and special deductions (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by the corporation to such corporation during the year; and (e) highest amount owed to the corporation by such corporation during the year.

- (2) Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e) ☒

- (a) Attach a schedule showing name, address, and identifying number.
- (b) Enter percentage owned ☒
- (c) Was the owner of such voting stock a person other than a U.S. person? (See instructions) (Note: If "Yes," the corporation may have to file Form 5472.) ☒
If "Yes," enter owner's country ☒
- (d) Enter highest amount owed by the corporation to such owner during the year ☒
- (e) Enter highest amount owed to the corporation by such owner during the year ☒

(Note: For purposes of I(1) and I(2), "highest amount owed" includes loans and accounts receivable/payable.)

- J** Refer to the list in the instructions and state the principal:
Business activity ☒ DISTRIBUTION
Product or service ☒ PETROLEUM PRODUCTS
- K** Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) ☒
If "Yes," attach Form 5471 for each such corporation.
- L** At any time during the tax year, did the corporation have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country? ☒
(See instruction F for exceptions and filing requirements for form TD F 90-22.1.)
If "Yes," write the name of the foreign country ☒

- M** Was the corporation the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the corporation has any beneficial interest in it? ☒

If "Yes," the corporation may have to file Forms 3520, 3520-A or 926.

- N** During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) ☒

If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

- O** During this tax year did the corporation maintain any part of its accounting/ tax records on a computerized system? ☒

P Check method of accounting:

- (1) ☐ Cash
- (2) ☒ Accrual
- (3) ☐ Other (specify) ☒

Schedule L Balance Sheets

Assets	Beginning of tax year		End of tax year	
	(A)	(B)	(C)	(D)
1 Cash		635,127		520,856
2 Trade notes and accounts receivable	1,694,212		1,621,143	
(a) Less allowance for bad debts	44,819	1,651,399	49,272	1,571,871
3 Inventories		523,242		627,521
4 Federal and State government obligations				
5 Other current assets (attach schedule)		123,496		84,704
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other depreciable assets	914,332		1,329,414	
(a) Less accumulated depreciation	552,672	361,660	629,075	423,339
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13 Other assets (attach schedule) DEPRECIATION		8,123		8503
14 Total assets		3,283,667		3,212,924
Liabilities and Stockholders' Equity				
15 Accounts payable		1,007,466		1,115,805
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)		416,139		261,456
18 Loans from stockholders				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock: (a) Preferred stock				
(b) Common stock	6,000	6,000	5274	5274
22 Paid-in or capital surplus				42184
23 Retained earnings—Appropriated (attach schedule)				
24 Retained earnings—Unappropriated		1,853,862		2,092,380
25 Less cost of treasury stock		()		(304,175)
26 Total liabilities and stockholders' equity		3,283,667		3,212,924

Schedule M-1 Reconciliation of Income Per Books With Income Per Return

Do not complete this schedule if the total assets on line 14, column (D), of Schedule L are less than \$25,000.

1 Net income per books	257755	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax	124155	(a) Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize) GAIN ON ACRES			
CAREER HIGHER F-R FED	1,014	8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		(a) Depreciation \$34,285	
(a) Depreciation \$		(b) Contributions carryover \$	
(b) Contributions carryover \$		CASH FRANCHISE	
CASH FRANCHISE TAX		TAX - FYE 84 \$26,094	60,679
EXCISE	38433	9 Total of lines 7 and 8	60,679
6 Total of lines 1 through 5	401357	10 Income (line 28, page 1)—line 6 less line 9	340678

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24, Schedule L)

Do not complete this schedule if the total assets on line 14, column (D), of Schedule L are less than \$25,000.

1 Balance at beginning of year	1,853,862	5 Distributions: (a) Cash	
2 Net income per books	257755	(b) Stock	
3 Other increases (itemize)		(c) Property	
REFUND RECEIVED ON		6 Other decreases (itemize)	
OVERPAYMENT OF			
TRUCK YEAR TAX	763	7 Total of lines 5 and 6	
4 Total of lines 1, 2, and 3	2,092,380	8 Balance at end of year (line 4 less line 7)	2,092,380

Form **3468**Department of the Treasury
Internal Revenue Service (O)**Computation of Investment Credit**▶ Attach to your tax return.
▶ Schedule B (Business Energy Investment Credit) on back.

OMB No. 1545-0155

1984
24

Name(s) as shown on return

ANGELES CHEMICAL CO INC

Identifying number

95-274832-1**Part I Elections (Check the box(es) below that apply to you (See Instruction D).)**

- A** I elect to increase my qualified investment to 100% for certain commuter highway vehicles under section 46(c)(6) ☐
- B** I elect to increase my qualified investment by all qualified progress expenditures made this and all later tax years. ☐
Enter total qualified progress expenditures included in column (4), Part II ▶
- C** I claim full credit on certain ships under section 46(g)(3) (See Instruction B for details.) ☐

Part II Qualified Investment (See instructions for new rules on automobiles and certain property with any personal use)

1 Recovery Property		Line	(1) Class of Property	(2) Unadjusted Basis	(3) Applicable Percentage	(4) Qualified Investment (Column 2 x column 3)
Regular Percentage	New Property	(a)	3-year		60	
		(b)	Other	130,997	100	130,997
	Used Property	(c)	3-year		60	
		(d)	Other		100	
Section 46(q) Election to Reduce Credit (instead of adjusting basis)	New Property	(e)	3-year		40	
		(f)	Other		80	
	Used Property	(g)	3-year		40	
		(h)	Other		80	
2 Nonrecovery property—Enter total qualified investment (See instructions for line 2)					2	
3 New commuter highway vehicle—Enter total qualified investment (See Instruction D(1))					3	
4 Used commuter highway vehicle—Enter total qualified investment (See Instruction D(1))					4	
5 Total qualified investment in 10% property—Add lines 1(a) through 1(h), 2, 3, and 4 (See instructions for special limits)					5	130,997
6 Qualified rehabilitation expenditures—Enter total qualified investment for:						
a 30-year-old buildings					6a	
b 40-year-old buildings					6b	
c Certified historic structures (You must attach NPS certification—see instructions)					6c	

Part III Tentative Regular Investment Credit

7 10% of line 5	7	<u>13,100</u>
8 15% of line 6a	8	
9 20% of line 6b	9	
10 25% of line 6c	10	
11 Credit from cooperatives—Enter regular investment credit from cooperatives	11	
12 Regular investment credit—Add lines 7 through 11	12	<u>13,100</u>
13 Business energy investment credit—From line 11 of Schedule B (see back of this form)	13	
14 Current year investment credit—Add lines 12 and 13	14	<u>13,100</u>

Note: If you have a 1984 jobs credit (Form 5884), credit for alcohol used as fuel (Form 6478), or employee stock ownership plan (ESOP) credit (Form 8007), in addition to your 1984 investment credit, you must stop here and go to new Form 3800, General Business Credit, to claim your 1984 investment credit. If you have only the investment credit (which may include business energy investment credit) or an investment credit carryforward from 1983, you may continue with lines 15 through 22 to claim your credit.

15 Carryforward of unused regular or business energy investment credit from 1983	15	
16 Total—Add lines 14 and 15	16	<u>13,100</u>

Part IV Tax Liability Limitations

17 a Individuals—From Form 1040, enter amount from line 46 b Estates and trusts—From Form 1041, enter tax from line 26a, plus any section 644 tax on trusts c Corporations—From Form 1120, Schedule J, enter tax from line 3 (or Form 1120-A, Part I, line 1). d Other filers—Enter tax before credits from return	17	<u>136462</u>
18 a Individuals—From Form 1040, enter credits from line 47, plus any orphan drug, nonconventional source fuel, and research credits b Estates and trusts—From Form 1041, enter any credits from line 27d c Corporations—From Form 1120, Schedule J, enter credits from lines 4(a) through 4(e) (Form 1120-A filers, enter zero) d Other filers—See instructions for line 18d		
19 Income tax liability as adjusted (subtract line 18 from line 17).	19	<u>136462</u>
20 a Enter smaller of line 19 or \$25,000. (See instructions for line 20) b If line 19 is more than \$25,000—Enter 85% of the excess.	20a	<u>25000</u>
	20b	<u>94743</u>
21 Investment credit limitation—Add lines 20a and 20b	21	<u>119743</u>
22 Total allowed credit—Enter the smaller of line 16 or line 21. This is your General Business Credit for 1984. Enter here and on Form 1040, line 43; Form 1120, Schedule J, line 4(f); Form 1120-A, Part I, line 2; or the proper line of other returns	22	<u>13,100</u>

For Paperwork Reduction Act Notice, see separate instructions.

Form **3468** (1984)

BR001342

Recapture of Investment Credit

(Including Energy Investment Credit)

► Attach to your income tax return

OMB No. 1545-0166
Expires 11-30-85

65

Name(s) as shown on return

ANGELES CHEMICAL CO., INC.

Identifying number

95-2748321

Properties	Kind of property—State whether recovery or nonrecovery (see Form 3468 instructions for definitions). If energy property, show type. Also indicate if rehabilitation expenditure property.
A	1977 MERCEDES (USED) — RECOVERY
B	MASS FLOW METER — RECOVERY
C	
D	
E	

Original Investment Credit	Computation Steps: (see Specific Instructions)	Properties				
		A	B	C	D	E
	1 Original rate of credit	10%	10%			
	2 Date property was placed in service	9/82	9/82			
	3 Cost or other basis	8,292	5,801			
	4 Original estimated useful life or class of property	3 YRS.	5 YRS.			
	5 Applicable percentage	60%	100%			
	6 Original qualified investment (line 3 times line 5)	4,975	5,801			
	7 Original credit (line 1 times line 6)	498	580			
	8 Date property ceased to be qualified investment credit property	6/84	7/84			
	9 Number of full years between the date on line 2 and the date on line 8	1	1			
Computation of Recapture Tax	10 Recapture percentage	66%	80%			
	11 Tentative recapture tax—Line 7 times line 10	329	464			
	12 Add line 11, columns A through E					793
	13 a Enter tax from disposed qualified progress expenditure property (attach separate computation)					
	b Enter tax from any part of property ceasing to be at risk (attach separate computation)					
	14 Total—Add lines 12, 13a and 13b					793
	15 Portion of original credit (line 7) not used to offset tax in any year (Do not enter more than line 14—see instructions)					
	16 Total increase in tax—Subtract line 15 from line 14. Enter here and on the proper line of your tax return. Do not use this amount to reduce current year's investment credit figured on Form 3468, Computation of Investment Credit. Any unused credit on line 15 cannot be used in any year as a carryback or carryover					793

For Paperwork Reduction Act Notice, see Instructions on back.

Form **4255** (Rev. 11-82)

BR001343

Form **4562****Depreciation and Amortization**

OMB No. 1545-0172

Department of the Treasury
Internal Revenue Service (0)▶ See separate instructions.
▶ Attach this form to your return.**1984**

67

Name(s) as shown on return

ANGELES CHEMICAL CO., INC.

Identifying number

95-274832-1

Business or activity to which this form relates

Part I Depreciation

For transportation equipment (e.g., autos), amusement/recreation property, and computer/peripheral equipment placed in service after June 18, 1984, and used 50% or less in a trade or business, the section 179 deduction is not allowed and depreciation must be taken only on line 2(h).

Section A.—Election to expense recovery property (Section 179)

A. Class of property	B. Cost	C. Expense deduction

1 Total (not more than \$5,000). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S)**Section B.—Depreciation of recovery property**

A. Class of property	B. Date placed in service	C. Cost or other basis	D. Recovery period	E. Method of figuring depreciation	F. Deduction
2 Accelerated Cost Recovery System (ACRS) (see instructions): For assets placed in service ONLY during taxable year beginning in 1984					
(a) 3-year property					
(b) 5-year property		124,447	5 YR	PRE-DETERMINED	18,667
(c) 10-year property					
(d) 15-year public utility property					
(e) 15-year real property—low-income housing					
(f) 15-year real property other than low-income housing					
(g) 18-year real property					
(h) Other recovery property				S/L	
				S/L	

3 ACRS deduction for assets placed in service prior to 1984 (see instructions)

92,488

Section C.—Depreciation of nonrecovery property

4 Property subject to section 168(e)(2) election (see instructions)	
5 Class Life Asset Depreciation Range (CLADR) System Depreciation (see instructions)	
6 Other depreciation (see instructions)	13,055

Section D.—Summary**7** Total (Add deductions on lines 1 through 6). Enter here and on the Depreciation line of your return (Partnerships and S corporations—DO NOT include any amounts entered on line 1.)

130,210

Part II Amortization

A. Description of property	B. Date acquired	C. Cost or other basis	D. Code section	E. Amortization period or percentage	F. Amortization for this year

Total. Enter here and on Other Deductions or Other Expenses line of your return

See Paperwork Reduction Act Notice on page 1 of the separate instructions.

U.S.GPO:1984-0-423-236

E.I. 8430814328

Form **4562** (1984)

BR001344

Supplemental Schedule of Gains and Losses
(Includes Gains and Losses From Sales or Exchanges of Assets
Used in a Trade or Business and Involuntary Conversions)

▶ To be filed with Forms 1040, 1041, 1065, 1120S, 1120, etc.—See Separate Instructions

Name(s) as shown on return

ANGEL'S CHEMICAL CO. INC.

Identifying number

95-2748321

Part I Sales or Exchanges of Property Used in a Trade or Business, and Involuntary Conversions From Other Than Casualty and Theft—Property Held More Than 1 Year (6 Months if Acquired After 6/22/84) (Except for Certain Livestock)

Note: Use Form 4684 to report involuntary conversions from casualty and theft.

Caution: If you sold property on which you claimed the investment credit, you may be liable for recapture of that credit. See Form 4255 for additional information.

Note: If you report a loss below and have amounts invested in the activity for which you are not at risk, you will have to file Form 6198. (See Instructions under "Special Rules.")

a. Description of property	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements and expense of sale	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
1							

2 Gain, if any, from Form 4684, Section B, line 21.

3 Section 1231 gain from installment sales from Form 6252, line 22 or 30.

4 Gain, if any, on line 28 from other than casualty and theft.

5 Add lines 1 through 4 in column g and column h.

6 Combine columns g and h of line 5. Enter gain or (loss) here, and on the appropriate line as follows:

(a) For all except partnership returns:

(1) If line 6 is a gain, enter the gain as a long-term capital gain on Schedule D. See specific instructions for Part I.

(2) If line 6 is zero or a loss, enter that amount on line 7. (S corporations, enter on Schedule K (Form 1120S), line 6.)

(b) For partnership returns: Enter each partner's share of line 6 above, on Schedule K-1 (Form 1065), line 7.

Part II Ordinary Gains and Losses

a. Description of property	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements and expense of sale	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
7 Loss, if any, from line 6(a)(2)							
8 Gain, if any, on line 27							5,908
9 Net gain or (loss) from Form 4684, Section B, lines 13 and 20(a)							
10 Ordinary gain from installment sales from Form 6252, line 21 or 29 (Applies only to sales before 6/7/84)							
11 Recapture of section 179 deduction (see instructions)							
12 Other ordinary gains and losses (include property held 1 year or less, (6 months or less if acquired after 6/22/84)):							

13 Add lines 7 through 12 in column g and column h.

14 Combine columns g and h of line 13. Enter gain or (loss) here, and on the appropriate line as follows:

(a) For all except individual returns: Enter the gain or (loss) from line 14, on the return being filed. See instructions for Part II for specific line references.

(b) For individual returns:

(1) If the loss on line 7 includes a loss from Form 4684, Section B, Part II, column B(ii), enter that part of the loss here and on line 19 of Schedule A (Form 1040). Identify as from "Form 4797, line 14(b)(1)".

(2) Redetermine the gain or (loss) on line 14, excluding the loss (if any) on line 14(b)(1). Enter here and on Form 1040, line 15.

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Form 4797 (1984)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, 1255

Skip section 1252 on line 23 and in the instructions, if you did not dispose of farmland, or if a partnership files this form.

15	Description of sections 1245, 1250, 1252, 1254, and 1255 property:	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)
(A)	1972 FORD TRUCK	10/72	3/85
(B)	MAJOR REPAIR - 1972 FORD TRUCK	9/80	3/85
(C)	1977 MERCEDES 3000	9/82	6/84
(D)	MASS FLOW METER	9/82	7/84

	Relate lines 15(A) through 15(D) to these columns	Property (A)	Property (B)	Property (C)	Property (D)
16	Gross sales price	750	0	6,700	5,181
17	Cost or other basis plus expense of sale	5100	7765	8,292	5,801
18	Depreciation (or depletion) allowed (or allowable)	5100	7765	5,224	2,146
19	Adjusted basis, subtract line 18 from line 17	0	0	3,068	3,655
20	Total gain, subtract line 19 from line 16	750	0	3,632	1,526
21	If section 1245 property:				
(a)	Depreciation allowed (or allowable) (see instructions)	5100	7765	5,224	2,146
(b)	Enter smaller of line 20 or 21(a)	750	0	3,632	1,526
22	If section 1250 property: (If straight line depreciation used, enter zero on line 22(g) unless you are a corporation subject to section 291.)				
(a)	Additional depreciation after 12/31/75				
(b)	Applicable percentage times the smaller of line 20 or line 22(a) (see instructions)				
(c)	Subtract line 22(a) from line 20. If line 20 is not more than line 22(a), skip lines 22(d) and 22(e)				
(d)	Additional depreciation after 12/31/69 and before 1/1/76				
(e)	Applicable percentage times the smaller of line 22(c) or 22(d) (see instructions)				
(f)	Section 291 amount (For Corporations only)				
(g)	Add lines 22(b), 22(e), and 22(f)				
23	If section 1252 property:				
(a)	Soil, water, and land clearing expenses				
(b)	Line 23(a) times applicable percentage (see instructions)				
(c)	Enter smaller of line 20 or 23(b)				
24	If section 1254 property:				
(a)	Intangible drilling and development costs deducted after 12/31/75 (see instructions)				
(b)	Enter smaller of line 20 or 24(a)				
25	If section 1255 property:				
(a)	Applicable percentage of payments excluded from income under section 125 (see instructions)				
(b)	Enter the smaller of line 20 or 25(a)				

Summary of Part III Gains (Complete Property columns (A) through (D) through line 25(b) before going to line 26)

26	Total gains for all properties (add columns (A) through (D), line 20)	5,708
27	Add columns (A) through (D), lines 21(b), 22(g), 23(c), 24(b), and 25(b). Enter here and on Part II, line 8.	5,926
28	Subtract line 27 from line 26. Enter the portion from casualty and theft on Form 4684, Section B, line 15; enter the portion from other than casualty and theft on Form 4797, Part I, line 4.	0

Part IV Complete this Part Only if You Elect Out of the Installment Method And Report a Note or Other Obligation at Less Than Full Face Value☐ Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation

Enter the percentage of valuation of the note or other obligation

NAME ANGELES CHEMICAL CO. IDENTIFICATION NO. 95-2748321STATEMENT NO. 1 YEAR ENDED 4/30/85SUPPLEMENTARY SCHEDULE FOR CORPORATIONS
COST OF GOODS SOLD

INVENTORY AT BEGINNING OF YEAR	523,862
MERCHANDISE BOUGHT FOR MANUFACTURE OR SALE	11,299,369
SALARIES AND WAGES	
OTHER COSTS (ATTACH SCHEDULE)	
TOTAL	11,923,231
LESS INVENTORY AT END OF YEAR	627,551
COST OF GOODS SOLD	11,295,680
METHOD OF INVENTORY VALUATION	

COMPENSATION OF OFFICERS

NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF OFFICER	TITLE	TIME DEVOTED TO BUSINESS	PERCENT OF CORPORATION STOCK OWNED		AMOUNT OF COMPENSATION	EXPENSE ACCOUNT ALLOWANCES
			COMMON	PREFERRED		
JOHN LOCKE 353-14-6341	PRES.	ALL	38.6%		180,000	
ROBERT BERG 549-38-9544	V.P. & SEC. TREAS.	AS REQ	38.6%		100,400	
LESS: AMOUNT INCLUDED IN LINE 26, COMMISSIONS					< 76,000	
TOTAL					204,400	

BAD DEBTS - RESERVE METHOD

YEAR	TRADE NOTES AND ACCTS. RECEIVABLE OUTSTANDING AT END OF YEAR	SALES ON ACCOUNT	AMOUNT ADDED TO RESERVE		AMOUNT CHARGED AGAINST RESERVE	RESERVE FOR BAD DEBTS AT END OF YEAR
			CURRENT YEAR'S PROVISION	RECOVERIES		
1977	1,817,624	12,006,810	18,885	2,608	11,402	32,511
1978	1,878,077	14,425,041	12,155	1,435	10,038	34,123
1979	1,944,423	16,011,943	30,275	639	28,184	31,804
1980	1,397,667	12,072,595	6,235	9,384	26,524	27,252
1981	1,674,218	14,425,259	-3	16,866	-9	60,814
1982	1,621,163	12,524,928	-2	6,014	1,561	49,272

TAXES

TAXES	CONTRIBUTIONS
CALIF. FRANCHISE TAX	26,094
PAYROLL TAXES	39,533
TRUCK & AUTO LICENSES	6,573
L.A. COUNTY PROPERTY TAX	5,574
SO. CALIF. AIR QUALITY MGT. DIST.	2,512
STATE WATER RESOURCES CONTROL	347
HIGHWAY USE TAX	694
OTHER	242
TOTAL	81,562
	TOTAL 808

OTHER DEDUCTIONS

EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
PLANT EXPENSE	10,420	COMMISSIONS	351,193
TRUCK EXPENSE	43,437	DIRECTOR'S FEES	9,000
AUTO & TRAVEL	68,153	INSURANCE	81,680
SALESMEN EXPENSES	7,868	DUES & SUBSCRIPTIONS	2,840
FREIGHT OUT	230,586	UTILITIES	6,584
DRUM MAINTENANCE	123,488	TELEPHONE	24,380
SUPPLIES	17,017	THRUWAY CHARGES	536
OFFICE LABOR	18,030	MISCELLANEOUS	450
OFFICE & ADMIN. EXPENSES	21,146		
COMPUTER EXPENSE	20,575	CONSULTANT EXPENSES	28,750
PROFESSIONAL SERVICES	7,470	DRUGS & MINOR D.	2,430
FOUNDED & REINFORCE	20,042	TOTAL	1,054,732

IDENTIFICATION NO. 95-2748321

YEAR ENDED 4/30/25

ACCOUNTANT STATIONERS & PRINTERS, LOS ANGELES

BR001348

NAME ANGELES CHEMICAL CO.

IDENTIFICATION NO. 95-2748321

STATEMENT NO. 3

YEAR ENDED 4/30/75

	BALANCE 4/30/84	STOCK REDEMPTION	CONTRIBUTION OF STOCK-ESOP	BALANCE 4/30/85
<u>SCHEDULE L</u>				
LINE 215 - COMMON STOCK	6000	< 813 >	87	5274
LINE 22 - PAID IN CAPITAL	- 0 -		42184	42184
LINE 25 - TREASURY STOCK	- 0 -	< 304175 >	- 0 -	< 304175 >
INCLUDED IN PAGE 1, LINE 24 IN ACCORDANCE WITH IRC § 404			42271	

BR001349

Depreciation and Amortization

▶ See instructions on back.
▶ Attach this form to your return.

1984

Name(s) as shown on return

ANGELES CHEMICAL CO. INC.

Identifying number

95-2748321

PART I DEPRECIATION

A. Description of property	B. Date acquired	C. Cost or other basis	D. Depreciation allowed or allowable in earlier years	E. Method of figuring depreciation	F. Life or rate	G. Depreciation for this year
1 Total additional first-year depreciation. See instructions for limitation. Do not include below.						
2 Other depreciation (see instructions):						
OFFICE TRAILERS	1980 & PRIOR	33,900	30,567	DDB	7 YRS.	495
✓	3/81-11/81	60,194	38,371	✓	✓	6235
✓	5/82	822	423	✓	✓	120
✓	4/85	2,891	0	✓	✓	60
TRUCKS & TRAILERS	1980 & PRIOR	41,519	39,052	VARIOUS		0
✓	5/81-1/82	17,111	16,024	S/L	3 YRS.	1,087
✓	5/82-11/82	92,091	33,652	✓	3.5 YRS.	19,772
✓	10/84-4/85	105,492	0	✓		5,652
✓	1/82	9,292	4,606	✓	3 YRS.	235
✓	12/83	10,000	1,329	✓	✓	225
✓	4/84	4,791	133	✓	✓	1,507
PLANT EQUIPMENT	1980 & PRIOR	47,866	45,142	S/L	7 YRS.	2,342
✓	11/81-1/82	126,364	56,157	DDB	9 YRS.	15,601
✓	6/82-12/82	24,877	7,501	S/L	7 YRS.	2,596
✓	1/83-11/83	9,662	1,221	S/L	5 & 7 YRS.	1,873
✓	5/82-9/82	12,745	0	S/L	5 YRS.	1,867
✓	4/85	26,442	0	S/L	5 YRS.	44
✓	8/75 & 10/76	7,273	6,378	DDB	8 & 9 YRS.	72
FURN & FIXTURES	1980 & PRIOR	12,949	9,300	S/L	7 YRS.	827
✓	2/81-11/81	12,091	5,884	✓	✓	1,479
✓	3/8-11/82	11,943	2,762	✓	✓	1,696
✓	1/83-11/83	9,051	9,158	✓	5 YRS.	18,336
✓	4/84	309	5	✓	✓	62
✓	5/84-4/85	7,230	0	✓	✓	905
PLANT	1980 & PRIOR	286,402	244,466	DDB	9 YRS.	9,319

3 Total. Enter here and on Schedule C-E-F (Form 540), page 2, Column (2); or on the Depreciation line of your return

95,625

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 1983 or other tax year beginning May 1, 1983, ending April 30, 19 84

OMB No. 1545-0123

1983

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Check if a—

A. Consolidated return ☐

B. Personal Holding Co. ☐

C. Business Code No. (See page 9 of instructions)

5092

Use
IRS
label.
Other-
wise
please
print
or type.

DB 95-2748321 APR 84
ANGELES CHEMICAL INC.
8915 SORESENSEN AVE.
SANTA FE SPRINGS CA 90670 049

D. Employer identification number

95-2748321

E. Date incorporated

11/1/71

F. Total assets (see Specific Instructions)

\$ 3,283,667

6. Check box if there has been a change in address from the previous year ☐

Gross Income	1 (a) Gross receipts or sales \$	(b) Less returns and allowances \$	Balance ▶	1(c)	14,455,259
	2 Cost of goods sold (Schedule A) and/or operations (attach schedule)			2	12,397,208
	3 Gross profit (subtract line 2 from line 1(c))			3	2,058,051
	4 Dividends (Schedule C)			4	
	5 Interest			5	66,663
	6 Gross rents			6	
	7 Gross royalties			7	
	8 Capital gain net income (attach separate Schedule D)			8	4,238
	9 Net gain or (loss) from Form 4797, line 14(a), Part II (attach Form 4797)			9	852
	10 Other income (see instructions—attach schedule)			10	90,951
	11 TOTAL income—Add lines 3 through 10 and enter here			11	2,220,755
Deductions	12 Compensation of officers (Schedule E)			12	304,113
	13 (a) Salaries and wages \$	(b) Less jobs credit \$	Balance ▶	13(c)	365,608
	14 Repairs (see instructions)			14	15,821
	15 Bad debts (Schedule F if reserve method is used)			15	
	16 Rents			16	72,000
	17 Taxes			17	95,521
	18 Interest			18	3,154
	19 Contributions (not over 10% of line 30 adjusted per instructions)			19	1,296
	20 Depreciation (attach Form 4562)	20	115,428		
	21 Less depreciation claimed in Schedule A and elsewhere on return	21(a)		21(b)	115,428
	22 Depletion			22	
	23 Advertising			23	11,434
	24 Pension, profit-sharing, etc. plans (see instructions)			24	82,829
	25 Employee benefit programs (see instructions)			25	
	26 Other deductions (attach schedule)			26	937,653
	27 TOTAL deductions—Add lines 12 through 26 and enter here			27	2,004,857
	28 Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)			28	215,898
	Tax	29 Less: (a) Net operating loss deduction (see instructions—attach schedule)	29(a)		
(b) Special deductions (Schedule C)		29(b)		29	
30 Taxable income (subtract line 29 from line 28)				30	215,898
31 TOTAL TAX (Schedule J)				31	68,307
32 Credits: (a) Overpayment from 1982 allowed as a credit					
(b) 1983 estimated tax payments		113,244			
(c) Less refund of 1983 estimated tax applied for on Form 4466		()	113,244		
(d) Tax deposited with Form 7004					
33 TAX DUE (subtract line 32 from line 31—If line 32 is greater than line 31, skip line 33 and go to line 34). See instruction C3 for depositary method of payment			32	113,244	
(Check <input type="checkbox"/> if Form 2220 is attached. See instruction D.) ▶ \$			33		
34 OVERPAYMENT (subtract line 31 from line 32)			34	44,937	
35 Enter amount of line 34 you want: Credited to 1984 estimated tax ▶ 17,100		Refunded ▶	35	27,837	

Please
Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Paid
Preparer's
Use Only

Signature of officer

Date

Title

Preparer's
signature

Date

Check if
self-em-
ployed ☐

Preparer's social security number

Firm's name (or
yours, if self-employed)
and address

ARCHER, BULMAHN & CO.

PASADENA, CA

E.I. No. ▶

95 2131722

ZIP code ▶

91106

BR001351

SCHEDULE A.—Cost of Goods Sold
(See instructions for Schedule A)

1	Inventory at beginning of year.	1	
2	Merchandise bought for manufacture or sale.	2	
3	Salaries and wages.	3	
4	Other costs (attach schedule).	4	
5	Total—Add lines 1 through 4.	5	
6	Inventory at end of year.	6	
7	Cost of goods sold—Subtract line 6 from line 5. Enter here and on line 2, page 1.	7	12,397,208

SEE STATEMENT ATTACHED

8 (a) Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4 (see instructions)

(iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)

(iv) ☐ Other (Specify method used and attach explanation) ▶

(b) Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

(c) If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO ☐

(d) If you are engaged in manufacturing, did you value your inventory using the full absorption method (Regulations section 1.471-11)? ☐ Yes ☐ No

(e) Was there any substantial change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If "Yes," attach explanation.

SCHEDULE C.—Dividends and Special Deductions
(See instructions for Schedule C)

	(A) Dividends received	(B) %	(C) Special deductions: multiply (A) x (B)
1	Domestic corporations subject to 85% deduction	85	
2	Certain preferred stock of public utilities	59.13	
3	Foreign corporations subject to 85% deduction	85	
4	Wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))	100	
5	Total—Add lines 1 through 4. See instructions for limitation		
6	Affiliated groups subject to the 100% deduction (section 243(a)(3))	100	
7	Other dividends from foreign corporations not included in lines 3 and 4		
8	Income from controlled foreign corporations under subpart F (attach Forms 5471)		
9	Foreign dividend gross-up (section 78)		
10	DISC or former DISC dividends not included in line 1 (section 246(d))		
11	Other dividends		
12	Deduction for dividends paid on certain preferred stock of public utilities (see instructions)		
13	Total dividends—Add lines 1 through 11. Enter here and on line 4, page 1		
14	Total deductions—Add lines 5, 6 and 12. Enter here and on line 29(b), page 1		

SCHEDULE E.—Compensation of Officers (See instruction for line 12, page 1)

Complete Schedule E only if your total receipts (line 1(a), plus lines 4 through 10, of page 1, Form 1120) are \$150,000 or more.

1. Name of officer	2. Social security number	3. Percent of time devoted to business	Percent of corporation stock owned		6. Amount of compensation
			4. Common	5. Preferred	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

SEE STATEMENT ATTACHED

Total compensation of officers—Enter here and on line 12, page 1.

304,113

SCHEDULE F.—Bad Debts—Reserve Method (See instruction for line 15, page 1)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1978						
1979						
1980						
1981						
1982						
1983	1,696,218	14,455,259	—	16,866	—	44,819

SEE STATEMENT ATTACHED

SCHEDULE J.—Tax Computation

(See instructions for Schedule J on page 7)

1 Check if you are a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/>		
2 If line 1 is checked, see instructions and enter your portion of the \$25,000 amount in each taxable income bracket:		
(i) \$	(ii) \$	(iii) \$
(iv) \$		
3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D <input type="checkbox"/>		3 79,063
4 (a) Foreign tax credit (attach Form 1118)	4(a)	
(b) Investment credit (attach Form 3468)	(b) 10,874	
(c) Jobs credit (attach Form 5884)	(c)	
(d) Employee stock ownership credit (attach Form 8007)	(d)	
(e) Research credit (attach Form 6765)	(e)	
(f) Possessions tax credit (attach Form 5735)	(f)	
(g) Alcohol fuel credit (attach Form 6478)	(g)	
(h) Credit for fuel produced from a nonconventional source (see instructions)	(h)	
5 Total—Add lines 4(a) through 4(h)		5 10,874
6 Subtract line 5 from line 3		6 68,189
7 Personal holding company tax (attach Schedule PH (Form 1120))		7
8 Tax from recomputing prior-year investment credit (attach Form 4255)		8 118
9 Minimum tax on tax preference items (see instructions—attach Form 4626)		9
10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1		10 68,307

Additional Information (See page 8 of instructions)		Yes	No
H Did you claim a deduction for expenses connected with:			
(1) Entertainment facility (boat, resort, ranch, etc.)?		X	
(2) Living accommodations (except employees on business)?		X	
(3) Employees attending conventions or meetings outside the North American area? (See section 274(h))		X	
(4) Employees' families at conventions or meetings?		X	
If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h))			
(5) Employee or family vacations not reported on Form W-2?		X	
I (1) Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)		X	
If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) before NOL and special deductions (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by you to such corporation during the year; and (e) highest amount owed to you by such corporation during the year.			
(2) Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of your voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e).		X	
(a) Attach a schedule showing name, address, and identifying number.			
(b) Enter percentage owned			
(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions).		X	
If "Yes," enter owner's country			
(d) Enter highest amount owed by you to such owner during the year			
(e) Enter highest amount owed to you by such owner during the year			
(Note: For purposes of I(1) and I(2), "highest amount owed" includes loans and accounts receivable/payable.)			
J Refer to page 9 of instructions and state the principal:			
Business activity	DISTRIBUTION		
Product or service	PETROLEUM PRODUCTS		
K Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation.		X	
L At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country? (See page 8 for exceptions and filing requirements for Form 90-22.1.)		X	
If "Yes," write the name of the foreign country			
M Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it?		X	
If "Yes," you may have to file Forms 3520, 3520-A or 926.			
N During this tax year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 316)		X	
If "Yes," file Form 5462. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.			
O During this tax year did you maintain any part of your accounting/tax records on a computerized system?		X	
P Check method of accounting: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify)			

Department of the Treasury
Internal Revenue Service

To be filled with Forms 1120, 1120-DISC, 1120F, 1120-H, 1120L, 1120M, 1120-POL, 990-C, and certain Forms 990-T

1983

Name

ANGELES CHEMICAL CO., INC

Employer identification number

95-274832-1

[illegible]

5	Enter gain from Form 4797, line 5(a)(1)	5	4,238
6			
7	Long-term capital gain from installment sales from Form 6252, line 21 or 29	7	
8	Net long-term capital gain or (loss)	8	4,238

9	Enter excess of net short-term capital gain (line 4) over net long-term capital loss (line 8)	9	
10	Net capital gain. Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4)	10	4,338
11	Total of lines 9 and 10. Enter here and on Form 1120, line 8, page 1; or the proper line on other returns <i>Note: If there is no entry on line 11, see instructions on capital losses for explanation of capital loss carrybacks.</i>	11	4,338

12	Taxable income. Enter the amount from	{ (a) Form 1120, line 30, page 1. (b) Others—Enter amount from the proper line of other returns }	12	
13	Net capital gain from line 10		13	
14	Subtract line 13 from line 12		14	
15	Partial tax. Compute the tax on line 14 as follows	{ (a) Form 1120—In accordance with the instructions for Form 1120, Schedule J (b) Others—In accordance with the tax computation instructions for applicable return }	15	
16	28% of line 13		16	
17	Alternative tax—total of lines 15 and 16. If less than amount of tax figured by regular method, enter here and on Form 1120, Schedule J, line 3; or the proper line on other returns. Also check box for Schedule D		17	

For Paperwork Reduction Act Notice, see page 1 of Form 1120 instructions.

Schedule D (Form 1120) 1983

BR001355

Computation of Investment Credit

► Attach to your tax return.
► Schedule B (Business Energy Investment Credit) on back.

OMB No. 1545-0155

1983
25

Name(s) as shown on return

ANGELES CHEMICAL CO., INC.

Identifying number

95-2748321**PART I.—Elections (Check the box(es) below that apply to you (See Instruction D).)**

- A I elect to increase my qualified investment to 100% for certain commuter highway vehicles under section 46(c)(5) ☐
- B I elect to increase my qualified investment by all qualified progress expenditures made this and all later tax years ☐
- Enter total qualified progress expenditures included in column (4), Part II ►
- C I claim full credit on certain ships under section 46(g)(3) (See Instruction B for details.) ☐

PART II.—Qualified Investment

1 Recovery Property	Line	(1) Class of Property	(2) Unadjusted Basis	(3) Applicable Percentage	(4) Qualified Investment (Column 2 x column 3)
Regular Percentage	New Property (a)	3-year	14,791	60	8,875
	(b)	Other	99,861	100	99,861
	Used Property (c)	3-year		60	
	(d)	Other		100	
Section 48(q) Election to Reduce Credit (instead of adjusting basis)	New Property (e)	3-year		40	
	(f)	Other		80	
	Used Property (g)	3-year		40	
	(h)	Other		80	
2 Nonrecovery property—Enter total qualified investment (See instructions for line 2)				2	
3 New commuter highway vehicle—Enter total qualified investment (See Instruction D(1))				3	
4 Used commuter highway vehicle—Enter total qualified investment (See Instruction D(1))				4	
5 Total qualified investment in 10% property—Add lines 1(a) through 1(h), 2, 3, and 4 (See instructions for special limits)				5	108,736
6 Qualified rehabilitation expenditures—Enter total qualified investment for:					
a 30-year-old buildings				6a	
b 40-year-old buildings				6b	
c Certified historic structures (See instructions)				6c	

PART III.—Tentative Regular Investment Credit

7 10% of line 5	7	10,874
8 15% of line 6a	8	
9 20% of line 6b	9	
10 25% of line 6c	10	
11 Credit from cooperative—Enter regular investment credit from cooperatives	11	
12 Current year regular investment credit—Add lines 7 through 11	12	10,874
13 Carryover of unused credits	13	
14 Carryback of unused credits	14	
15 Tentative regular investment credit—Add lines 12, 13, and 14	15	10,874

PART IV.—Tax Liability Limitations

16 a Individuals—From Form 1040, enter tax from line 38, page 2, plus any additional taxes from Form 4970	16	79,063
b Estates and trusts—From Form 1041, enter tax from line 26a, plus any section 644 tax on trusts		
c Corporations (1120 filers)—From Form 1120, Schedule J, enter tax from line 3		
d Other organizations—Enter tax before credits from return		
17 a Individuals—From Form 1040, enter credits from lines 41 and 42 of page 2	17	
b Estates and trusts—From Form 1041, enter any foreign tax credit from line 27a		
c Corporations (1120 filers)—From Form 1120, Schedule J, enter any foreign tax credit from line 4(a), plus any possessions tax credit from line 4(f)		
d Other organizations—Enter any foreign or possessions tax credit		
18 Income tax liability as adjusted (subtract line 17 from line 16)	18	79,063
19 a Enter smaller of line 18 or \$25,000. See instruction for line 19	19a	25,000
b If line 18 is more than \$25,000—Enter 85% of the excess	19b	45,954
20 Regular investment credit limitation—Add lines 19a and 19b	20	70,954
21 Allowed regular investment credit—Enter the smaller of line 15 or line 20	21	10,874
22 Business energy investment credit limitation—Subtract line 21 from line 18	22	
23 Business energy investment credit—From line 14 of Schedule B	23	
24 Allowed business energy investment credit—Enter smaller of line 22 or line 23	24	
25 Total allowed regular and business energy investment credit—Add lines 21 and 24. Enter here and on Form 1040, line 43; Schedule J (Form 1120), line 4(h), page 3; or the proper line on other returns	25	10,874

For Paperwork Reduction Act Notice, see separate instructions.

Form 3468 (1983)

Recapture of Investment Credit

(Including Energy Investment Credit)

OMB No. 1545-0166
Expires 11-30-85

► Attach to your income tax return

65

Name(s) as shown on return

ANGELES CHEMICAL CO., INC.

Identifying number

95-2748321

Properties Kind of property—State whether recovery or nonrecovery (see Form 3468 instructions for definitions). If energy property, show type. Also indicate if rehabilitation expenditure property.

A	AUTO - RECOVERY
B	METER VALVE - RECOVERY
C	
D	
E	

	Properties				
	A	B	C	D	E
Computation Steps: (see Specific Instructions)					
1 Original rate of credit	10%	10%			
2 Date property was placed in service	4/82	1/83			
3 Cost or other basis	1,352	645			
4 Original estimated useful life or class of property	3 YR	5 YR			
5 Applicable percentage	60%	100%			
6 Original qualified investment (line 3 times line 5)	811	645			
7 Original credit (line 1 times line 6)	81	65			
8 Date property ceased to be qualified investment credit property	2/84	8/83			
9 Number of full years between the date on line 2 and the date on line 8	1	0			
10 Recapture percentage	66%	100%			
11 Tentative recapture tax—Line 7 times line 10	53	65			
12 Add line 11, columns A through E					118
13 a Enter tax from disposed qualified progress expenditure property (attach separate computation)					
b Enter tax from any part of property ceasing to be at risk (attach separate computation)					
14 Total—Add lines 12, 13a and 13b					118
15 Portion of original credit (line 7) not used to offset tax in any year (Do not enter more than line 14—see instructions)					
16 Total increase in tax—Subtract line 15 from line 14. Enter here and on the proper line of your tax return. Do not use this amount to reduce current year's investment credit figured on Form 3468. Computation of Investment Credit. Any unused credit on line 15 cannot be used in any year as a carryback or carryover					118

For Paperwork Reduction Act Notice, see instructions on back.

Form **4255** (Rev. 11-82)

BR001357

95-274832

Caution: If you sold property on which you claimed the investment credit, you may be liable for recapture of that credit. See Form 4255 for additional information.

Form 4797 (1982)

PART III.—Gain From Disposition of Property Under Sections 1245, 1250, 1251, 1252, 1254, 1255

Skip lines 23 and 24 if you did not dispose of farm property or farmland, or if a partnership files this form.

15 Description of sections 1245, 1250, 1251, 1252, 1254, and 1255 property:	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)
(A) 1976 JAGUAR - FEDERAL	4/82	2/84
(B) 1976 JAGUAR - CALIFORNIA		
(C)		
(D)		

Relate lines 15(A) through 15(D) to these columns	Property (A)	Property (B)	Property (C)	Property (D)
16 Gross sales price	6,500	6,500		
17 Cost or other basis plus expense of sale	3,262	2,262		
18 Depreciation (or depletion) allowed (or allowable)	852	1,054		
19 Adjusted basis, subtract line 18 from line 17	1,410	1,208		
20 Total gain, subtract line 19 from line 16	5,090	5,292		
21 If section 1245 property:				
(a) Depreciation allowed (or allowable) after applicable date (see instructions)	852	1,054		
(b) Enter smaller of line 20 or 21(a)	852	1,054		
22 If section 1250 property: (If straight line depreciation used, enter zero on line 22(f).)				
(a) Additional depreciation after 12/31/75				
(b) Applicable percentage times the smaller of line 20 or line 22(a) (see instruction G.4)				
(c) Subtract line 22(a) from line 20. If line 20 is not more than line 22(a), skip lines 22(d) and 22(e)				
(d) Additional depreciation after 12/31/69 and before 1/1/76				
(e) Applicable percentage times the smaller of line 22(c) or 22(d) (see instruction G.4)				
(f) Add lines 22(b), and 22(e)				
23 If section 1251 property:				
(a) If farmland, enter soil, water, and land clearing expenses for current year and the four preceding years				
(b) If farm property other than land, subtract line 21(b) from line 20; if farmland, enter smaller of line 20 or 23(a)				
(c) Excess deductions account (see instruction G.5)				
(d) Enter smaller of line 23(b) or 23(c)				
24 If section 1252 property:				
(a) Soil, water, and land clearing expenses				
(b) Amount from line 23(d), if none enter zero				
(c) Subtract line 24(b) from line 24(a). If line 24(b) is more than line 24(a), enter zero				
(d) Line 24(c) times applicable percentage (see instruction G.5)				
(e) Subtract line 24(b) from line 20				
(f) Enter smaller of line 24(d) or 24(e)				
25 If section 1254 property:				
(a) Intangible drilling and development costs deducted after 12/31/75 (see instruction G.6)				
(b) Enter smaller of line 20 or 25(a)				
26 If section 1255 property:				
(a) Applicable percentage of payments excluded from income under section 126 (see instruction G.7)				
(b) Enter the smaller of line 20 or 26(a)				

Summary of Part III Gains (Complete Property columns (A) through (D) through line 26(b) before going to line 27)

27 Total gains for all properties (add columns (A) through (D), line 20)	5,090
28 Add columns (A) through (D), lines 21(b), 22(f), 23(d), 24(f), 25(b) and 26(b). Enter here and on Part II, line 8	852
29 Subtract line 28 from line 27. Enter the portion from casualty and theft on Form 4684, line 21; enter the portion from other than casualty and theft on Form 4797, Part I, line 4	4,238

PART IV.—Complete this Part Only if You Elect Out of the Installment Method And Report a Note or Other Obligation at Less Than Full Face Value☐ Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation

Enter the percentage of valuation of the note or other obligation

NAME ANGELES CHEMICAL CO., INC.IDENTIFICATION NO. 95-2748321STATEMENT NO. 1YEAR ENDED 4/30/84

SUPPLEMENTARY SCHEDULE FOR CORPORATIONS

COST OF GOODS SOLD

INVENTORY AT BEGINNING OF YEAR	502,216
MERCHANDISE BOUGHT FOR MANUFACTURE OR SALE	12,418,854
SALARIES AND WAGES	
OTHER COSTS (ATTACH SCHEDULE)	
TOTAL	12,921,070
LESS INVENTORY AT END OF YEAR	523,862
COST OF GOODS SOLD	12,397,208
METHOD OF INVENTORY VALUATION	

COMPENSATION OF OFFICERS

NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF OFFICER	TITLE	TIME DEVOTED TO BUSINESS	PERCENT OF CORPORATION STOCK OWNED		AMOUNT OF COMPENSATION	EXPENSE ACCOUNT ALLOWANCES
			COMMON	PREFERRED		
JOHN LOCKE 353-14-6341	PRESIDENT	ALL	33 1/3		180,308	
ARNOLD ROSENTHAL 564-07-2487	VICE-PRES.	ALL	33 1/3		99,713	
ROBERT LERG 549-38-9548	DIRECTOR	AS REQ	33 1/3		24,092	
TOTAL					304,113	

BAD DEBTS - RESERVE METHOD

YEAR	TRADE NOTES AND ACCTS. RECEIVABLE OUTSTANDING AT END OF YEAR	SALES ON ACCOUNT	AMOUNT ADDED TO RESERVE		AMOUNT CHARGED AGAINST RESERVE	RESERVE FOR BAD DEBTS AT END OF YEAR
			CURRENT YEAR'S PROVISION	RECOVERIES		
1978	1,140,374	8,368,562	0	5,128	45	22,611
1979	1,217,628	12,006,810	18,885	2,608	11,493	32,611
1980	1,898,077	14,465,041	12,155	1,435	10,038	36,163
1981	1,944,420	16,011,940	30,275	639	28,189	38,888
1982	1,397,667	15,023,595	6,235	9,384	26,554	27,953
1983	1,696,219	14,455,259	0	16,866	0	44,819

TAXES

TAXES		CONTRIBUTIONS	
PAYROLL TAXES	38,736	INTRASCIENCE RESEARCH FUND.	500
CALIF. FRANCHISE TAX	34,488	UNITED JEWISH WELFARE	250
✓ ✓ ✓ (ACCTG)	1,594	FILBERTON LITTLE LEAGUE	200
SALES TAX (AUDIT)	9,158	LISC	100
PROPERTY TAX	5,583	JORDAN HIGH SCHOOL	100
MOTOR VEHICLE REGISTRATION	3,744	VARIOUS (UNDER \$100)	146
OTHER TAXES & LICENSES	2,216		
TOTAL	45,531	TOTAL	1,296

OTHER DEDUCTIONS

EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
PLANT EXPENSE	11,353	COMMISSIONS	211,722
TAXI EXPENSE	38,986	DIRECTOR'S FEES	9,000
AUTO & TRAVEL	49,255	INSURANCE	68,624
SALESMEN EXPENSES	7,138	DUES & SUBSCRIPTIONS	3,823
FREIGHT OUT	256,579	UTILITIES	7,361
DRUM MAINTENANCE	114,170	TELEPHONE	24,828
SUPPLIES	7,351	EMPLOYEE MEDICAL	5,644
OUTSIDE LABOR	5,896	MISCELLANEOUS	220
OFFICE & ADMIN. EXPENSES	21,239		
COMPUTER EXPENSE	37,678		
PROFESSIONAL SERVICES	29,770		
BUSINESS PROMOTION	33,016		
		TOTAL	437,653

IDENTIFICATION NO. 95-2748321

YEAR ENDED 4/30/84

ACCOUNTANT STATIONERS & PRINTERS, LOS ANGELES

BR001363

3885

Depreciation and Amortization

▶ See instructions on back.
▶ Attach this form to your return.

1983

Name(s) as shown on return

ANGELES CHEMICAL CO., INC.

Identifying number

95-2748321

NOTE: California has not adopted the Federal Accelerated Cost Recovery System (ACRS).

Part I Depreciation

A. Description of property	B. Date acquired	C. Cost or other basis	D. Depreciation allowed or allowable in earlier years	E. Method of figuring depreciation	F. Life or rate	G. Depreciation for this year
1 Total additional first-year depreciation. See instructions for limitation. Do not include below.						
2 Other depreciation (see instructions):						
OFFICE TRAILERS	VARIOUS	33,404	29,874	DDO	7YR	693
✓	✓	3/81-1/81	60,194	✓	✓	8,729
✓	✓	5/82	822	✓	✓	168
TRUCKS & TRAILERS	VARIOUS	41,519	37,484	VARIOUS		1,613
✓	✓	5/81-1/82	17,111	SIL	3YR	5,703
✓	✓	5/82-11/82	93,991	SIL	3-5YR	19,773
AUTOS	1/82	8,292	1,843	SIL	3YR	3,350
✓	✓	12/83	10,000	SIL	3YR	1,384
✓	✓	4/84	4,791	SIL	3YR	133
PLANT EQUIPMENT	VARIOUS	47,866	41,114	SIL	7YR	4,028
✓	✓	11/81-1/82	126,364	DDO	9YR	20,059
✓	✓	1/82	24,877	SIL	7YR	3,287
✓	✓	1/83	857	SIL	7YR	145
✓	✓	1/83	8,805	SIL	5YR	1,058
FURN. & FIXTURES	VARIOUS	10,999	8,100	SIL	7YR	1,300
✓	✓	2/81-3/81	3,398	SIL	7YR	485
✓	✓	6/81-3/82	9,049	SIL	7YR	1,034
✓	✓	6/82-11/82	11,587	SIL	7YR	1,655
✓	✓	1/83-2/83	1,304	SIL	7YR	181
✓	✓	8/83-4/84	91,056	SIL	5YR	8,934
PLANT	VARIOUS	293,975	239,135	DDO	9YR	12,208
CONSTR. IN PROGRESS		13,571				

3 Total. Enter here and on Schedule C-E-F (Form 540), page 2, Column (2); or on the Depreciation line of your return

95,800

Part II Amortization of property

A. Description of property	B. Date acquired	C. Cost or other basis	D. Amortization allowed or allowable in earlier years	E. Code section	F. Amortization period or percentage	G. Amortization for this year

Total. Enter here and on the Other deduction line of your return

U.S. Corporation Income Tax ReturnFor calendar year 1982 or other tax year beginning May 1 1982, ending Apr. 30, 1983.
For Paperwork Reduction Act Notice, see page 1 of the instructions.

OMB No. 1545-0123

1982

Check if —

- A. Consolidated return ☐
B. Personal Holding Co. ☐
C. Business Code No. (See page 9 of instructions)

5092

Use IRS label. Otherwise please print or type.

Name

ANGELES CHEMICAL CO., INC.

Number and street

8915 Sorensen Avenue

City or town, State, and ZIP code

Santa Fe Springs, CA 90670

D. Employer identification number

95-2748321

E. Date incorporated

11/1/71

F. Total assets (see Specific instructions)

\$ 3,135,285

Gross Income	
1 (a) Gross receipts or sales \$	(b) Less returns and allowances \$
2 Cost of goods sold (Schedule A) and/or operations (attach schedule)	
3 Gross profit (subtract line 2 from line 1(c))	
4 Dividends (Schedule C)	
5 Interest	
6 Gross rents	
7 Gross royalties	
8 Capital gain net income (attach separate Schedule D)	
9 Net gain or (loss) from Form 4797, line 11(a), Part II (attach Form 4797)	
10 Other income (see instructions—attach schedule)	
11 TOTAL income—Add lines 3 through 10	
Deductions	
12 Compensation of officers (Schedule E)	
13 (a) Salaries and wages	13(b) Less jobs credit
14 Repairs (see instructions)	
15 Bad debts (Schedule F if reserve method is used)	
16 Rents	
17 Taxes	
18 Interest	
19 Contributions (not over 10% of line 30 adjusted per instructions)	
20 Depreciation (attach Form 4562)	20 99,799
21 Less depreciation claimed in Schedule A and elsewhere on return	21(a) ()
22 Depletion	
23 Advertising	
24 Pension, profit-sharing, etc. plans (see instructions)	
25 Employee benefit programs (see instructions)	
26 Other deductions (attach schedule)	
27 TOTAL deductions—Add lines 12 through 26	
28 Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)	
29 Less: (a) Net operating loss deduction (see instructions—attach schedule)	29(a) ()
(b) Special deductions (Schedule C)	29(b) ()
30 Taxable income (subtract line 29 from line 28)	
Tax	
31 TOTAL TAX (Schedule J)	
32 Credits: (a) Overpayment from 1981 allowed as a credit	28,311
(b) 1982 estimated tax payments	84,933
(c) Less refund of 1982 estimated tax applied for on Form 4466	()
(d) Tax deposited: Form 7004	Form 7005 (attach)
(e) Credit from regulated investment companies (attach Form 2439)	
(f) Federal tax on special fuels and oils (attach Form 4135)	
33 TAX DUE (subtract line 32 from line 31—if line 32 is greater than line 31, skip line 33 and go to line 34). See instruction C3 for depository method of payment.	
(Check <input type="checkbox"/> if Form 2220 is attached. See instruction D.)	
34 OVERPAYMENT (subtract line 31 from line 32)	
35 Enter amount of line 34 you want: Credited to 1983 estimated tax	Refunded

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Paid Preparer's Use Only

Signature of officer

Date

Title

Preparer's signature

Date

Check if self-employed ☐

Preparer's social security no.

Firm's name (or yours, if self-employed) and address

Archer, Bulmahn & Co.
Pasadena, CA

E.I. No.

95 2131722

ZIP code

91106

Schedule J Tax Computation (See instructions for Schedule J on page 7)

Note: Fiscal year corporations, see instructions on page 10. If you are not a member of a controlled group of corporations (sections 1561 and 1563), omit lines 1 and 2, and enter on line 3, the amount from line 44, Part III, of the fiscal year worksheet provided on page 11 of the instructions.

Calendar year corporations, see instructions for Schedule J on page 7. If you are not a member of a controlled group of corporations (sections 1561 and 1563), omit lines 1 and 2, and start with line 3.

- 1 Check if you are a member of a controlled group (see sections 1561 and 1563) ☐
- 2 If line 1 is checked, see instructions and enter your portion of the \$25,000 amount in each taxable income bracket:
- (i) \$ (ii) \$ (iii) \$ (iv) \$
- 3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D ☐
- 4 (a) Foreign tax credit (attach Form 1118)
- (b) Investment credit (attach Form 3468)
- (c) Jobs credit (attach Form 5884)
- (d) Employee stock ownership credit (applies only to fiscal year 1982-83 corporations—see instructions)
- (e) Research credit (attach Form 6765)
- (f) Possessions tax credit (attach Form 5735)
- (g) Alcohol fuel credit (attach Form 6478)
- (h) Credit for fuel produced from a nonconventional source (see instructions)
- 5 Total—Add lines 4(a) through 4(h)
- 6 Subtract line 5 from line 3
- 7 Personal holding company tax (attach Schedule PH (Form 1120))
- 8 Tax from recomputing prior-year investment credit (attach Form 4255)
- 9 Minimum tax on tax preference items (see instructions—attach Form 4626)
- 10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1

126,891

13,906

13,906

112,985

259

113,244

Additional Information (See page 8 of instructions)**G** Did you claim a deduction for expenses connected with:

- (1) Entertainment facility (boat, resort, ranch, etc.)?
- (2) Living accommodations (except employees on business)?
- (3) Employees attending conventions or meetings outside the North American area? (See section 274(b))
- (4) Employees' families at conventions or meetings?
- If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(b))
- (5) Employee or family vacations not reported on Form W-2?

Yes No

X

X

X

X

X

X

X

X

X

H (1) Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)

If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by you to such corporation during the year; and (e) highest amount owed to you by such corporation during the year.

- (2) Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of your voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e).

(a) Attach a schedule showing name, address, and identifying number.

(b) Enter percentage owned

(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions)

If "Yes," enter owner's country

Yes No

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

(d) Enter highest amount owed by you to such owner during the year

(e) Enter highest amount owed to you by such owner during the year

(Note: For purposes of H(1) and H(2), "highest amount owed" includes loans and accounts receivable/payable.)

1 Refer to page 9 of instructions and state the principal:

Business activity Distribution

Product or service Petroleum Products

2 Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation

3 At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instructions)?

4 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it?

If "Yes," you may have to file Forms 3520, 3520-A or 826.

5 During this tax year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 316)

If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

6 During this tax year was any part of your tax accounting records maintained on a computerized system?

Yes No

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

Schedule M-1 Balance Sheets

	Beginning of tax year		End of tax year	
	(A)	(B)	(C)	(D)
ASSETS				
1 Cash	1944420	200296	1397667	852213
2 Trade notes and accounts receivable	38888	1905532	27933	1369714
(a) Less allowance for bad debts		480963		502216
3 Inventories		104536		72572
4 Federal and State government obligations				
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other depreciable assets	650322		788106	
(a) Less accumulated depreciation	364420	285902	457979	330127
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13 Other assets (attach schedule) DEPOSITS		8098		8443
14 Total assets		2985329		3135285
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable		1160617		1049607
16 Mtes, notes, bonds payable in less than 1 year		352005		404754
17 Other current liabilities (attach schedule)				
18 Loans from stockholders				
19 Mtes, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock: (a) Preferred stock				
(b) Common stock	6000	6000	6000	6000
22 Paid-in or capital surplus				
23 Retained earnings—Appropriated (attach sch.)		1460707		1674924
24 Retained earnings—Unappropriated				
25 Less cost of treasury stock				
26 Total liabilities and stockholders' equity		2985329		3135285

Schedule M-1 Reconciliation of Income Per Books With Income Per Return Do not complete this schedule if your total assets (line 14, column (D), above) are less than \$25,000.

1 Net income per books	211513	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax	113244	(a) Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize)			
5 Expenses recorded on books this year not deducted in this return (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
(a) Depreciation		(a) Depreciation ACRS \$	2907
(b) Contributions carryover		(b) Contributions carryover \$	
<i>CA Franchise Tax 4-30-83</i>	34488	<i>CA Franchise Tax</i>	37197
6 Total of lines 1 through 5	359245	9 Total of lines 7 and 8	40104
		10 Income (line 28, page 1)—line 6 less 9	319141

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above) Do not complete this schedule if your total assets (line 14, column (D), above) are less than \$25,000.

1 Balance at beginning of year	1460707	5 Distributions: (a) Cash	
2 Net income per books	211513	(b) Stock	
3 Other increases (itemize)		(c) Property	
<i>Refund - Prior Year's Tax</i>	2704	6 Other decreases (itemize)	
4 Total of lines 1, 2, and 3	1674924	7 Total of lines 5 and 6	
		8 Balance at end of year (line 4 less 7)	1674924

Computation of Investment Credit

► Attach to your tax return.
► Schedule B (Business Energy Investment Credit) on back.

OMB No. 1545-0155

1982
27

Name(s) as shown on return

Angles Chemical Co. Inc.

Identifying number

95-2748321

PART I.—Elections

- A The corporation elects the basic or basic and matching employee plan percentage under section 48(n)(1). ☐
 B I elect to increase my qualified investment to 100% for certain commuter highway vehicles under section 46(c)(6). ☐
 C I elect to increase my qualified investment by all qualified progress expenditures made this and all later tax years. ☐
 Enter total qualified progress expenditures included in column (4), Part II ►
 D I claim full credit on certain ships under section 46(g)(3) (See instruction B for details.) ☐

1 Recovery Property		Line	(1) Class of Property	(2) Unadjusted Basis	(3) Applicable Percentage	(4) Qualified Investment (Column 2 x column 3)
Regular Percentage	New Property	(a)	3-year	<i>8292</i>	60	<i>4975</i>
	Used Property	(b)	Other	<i>134082</i>	100	<i>134082</i>
	New Property	(c)	3-year		60	
	Used Property	(d)	Other		100	
548(a) Election to Reduce Credit (instead of adjusting basis) FY 1982-83 filers only (see instr.)	New Property	(e)	3-year		40	
	Used Property	(f)	Other		80	
	New Property	(g)	3-year		40	
	Used Property	(h)	Other		80	

PART II.—Qualified Investment

- 2 Nonrecovery property—Enter total qualified investment (See instructions for line 2) . . . 2
 3 New commuter highway vehicle—Enter total qualified investment (See instruction D(2)) . . . 3
 4 Used commuter highway vehicle—Enter total qualified investment (See instruction D(2)) . . . 4
 5 Total qualified investment in 10% property—Add lines 1(a) through 1(h), 2, 3, and 4 (See instructions for special limits) . . . 5 *139057*
 6 Qualified rehabilitation expenditures—Enter total qualified investment for:
 a 30-year-old buildings . . . 6a
 b 40-year-old buildings . . . 6b
 c Certified historic structures (Enter the Dept. of Interior assigned project number . . . 6c
 7 Corporations checking election box A above—add lines 5, 6a, 6b, and 6c, . . . 7

PART III.—Tentative Regular Investment Credit

- 8 10% of line 5 . . . 8 *13906*
 9 15% of line 6a . . . 9
 10 20% of line 6b . . . 10
 11 25% of line 6c . . . 11
 12 Corporations checking election box A (See instruction D(1))—
 a Basic 1% credit—Enter 1% of line 7 (1982-83 fiscal-year filers, see instructions for line 12) . . . 12a
 b Matching credit (not more than 0.5%)—Allowable percentage times adjusted line 7 (attach schedule) . . . 12b
 13 Credit from cooperative—Enter regular investment credit from cooperatives . . . 13
 14 Current year regular investment credit—Add lines 8 through 13 . . . 14
 15 Carryover of unused credits . . . 15
 16 Carryback of unused credits . . . 16
 17 Tentative regular investment credit—Add lines 14, 15, and 16 . . . 17 *13906*

PART IV.—Tax Liability Limitations

- 18 a Individuals—From Form 1040, enter tax from line 38, page 2, plus any additional taxes from Form 4970
 b Estates and trusts—From Form 1041, enter tax from line 26a, plus any section 644 tax on trusts
 c Corporations (1120 filers)—From Form 1120, Schedule J, enter tax from line 3
 d Other organizations—Enter tax before credits from return . . . 18 *126891*
 19 a Individuals—From Form 1040, enter credits from lines 41 and 42 of page 2
 b Estates and trusts—From Form 1041, enter any foreign tax credit from line 27a
 c Corporations (1120 filers)—From Form 1120, Schedule J, enter any foreign tax credit from line 4(a), plus any possessions tax credit from line 4(f)
 d Other organizations—Enter any foreign or possessions tax credit . . . 19
 20 Income tax liability as adjusted (subtract line 19 from line 18) . . . 20 *126891*
 21 a Enter smaller of line 20 or \$25,000. See instruction for line 21 . . . 21a *25000*
 b If line 20 is more than \$25,000—Enter 90% of the excess . . . 21b *91702*
 22 Regular investment credit limitation—Add lines 21a and 21b . . . 22 *116702*
 23 Allowed regular investment credit—Enter the smaller of line 17 or line 22 . . . 23 *13906*
 24 Business energy investment credit limitation—Subtract line 23 from line 20 . . . 24
 25 Business energy investment credit—From line 14 of Schedule B (Form 3468) . . . 25
 26 Allowed business energy investment credit—Enter smaller of line 24 or line 25 . . . 26
 27 Total allowed regular and business energy investment credit—Add lines 23 and 26. Enter here and on Form 1040, line 43; Schedule J (Form 1120), line 4(b), page 3; or the proper line on other returns . . . 27 *13906*

For Paperwork Reduction Act Notice, see separate instructions.

Form 3468 (1982)

BR001369

Recapture of Investment Credit

(Including Energy Investment Credit)

OMB No. 1545-0166
Expires 11-30-85

▶ Attach to your income tax return

65

Name(s) as shown on return

Angelus Chemical Co. Inc.

Identifying number

95-2748321

Properties	Kind of property—State whether recovery or nonrecovery (see Form 3468 instructions for definitions). If energy property, show type. Also indicate if rehabilitation expenditure property.
A	<i>Computer (nonrecovery)</i>
B	
C	
D	
E	

	Properties				
	A	B	C	D	E
Computation Steps: (see Specific Instructions)					
1 Original rate of credit	<i>10%</i>				
2 Date property was placed in service	<i>2/80</i>				
3 Cost or other basis	<i>2591</i>				
4 Original estimated useful life or class of property	<i>7 YRS</i>				
5 Applicable percentage	<i>100%</i>				
6 Original qualified investment (line 3 times line 5)	<i>2591</i>				
7 Original credit (line 1 times line 6)	<i>259</i>				
8 Date property ceased to be qualified investment credit property	<i>11/82</i>				
9 Number of full years between the date on line 2 and the date on line 8	<i>2</i>				
Computation of Recapture Tax					
10 Recapture percentage	<i>100%</i>				
11 Tentative recapture tax—Line 7 times line 10	<i>259</i>				
12 Add line 11, columns A through E					<i>259</i>
13 a Enter tax from disposed qualified progress expenditure property (attach separate computation)					
b Enter tax from any part of property ceasing to be at risk (attach separate computation)					
14 Total—Add lines 12, 13a and 13b					<i>259</i>
15 Portion of original credit (line 7) not used to offset tax in any year (Do not enter more than line 14—see instructions)					
16 Total increase in tax—Subtract line 15 from line 14. Enter here and on the proper line of your tax return. Do not use this amount to reduce current year's investment credit figured on Form 3468, Computation of Investment Credit. Any unused credit on line 15 cannot be used in any year as a carryback or carryover					<i>259</i>

For Paperwork Reduction Act Notice, see Instructions on back.

Supplemental Schedule of Gains and Losses
(Includes Gains and Losses From Sales or Exchanges of Assets
Used in a Trade or Business and Involuntary Conversions)
To be filed with Form 1040, 1041, 1065, 1120, etc.—See Separate Instructions

OMB No. 1545-0184

1982

31

Name(s) as shown on return

Identifying number

Angelo Chemical Co. Inc.

95-2748321

Part I Sales or Exchanges of Property Used in a Trade or Business, and Involuntary Conversions From Other Than Casualty and Theft—Property Held More Than 1 Year (Except for Certain Livestock)
Note: Use Form 4684 to report involuntary conversions from casualty and theft.
Caution: If you sold property on which you claimed the investment credit, you may be liable for recapture of that credit. See Form 4255 for additional information.

a. Kind of property and description	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expense of sale	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
1 <u>Computer</u>	<u>2/80</u>	<u>11/82</u>	<u>1000</u>	<u>1332</u>	<u>2591</u>	<u>259</u>	
2 (a) Gain, if any, from Form 4684, line 25							
(b) Section 1231 gain from installment sales from Form 6252, line 21 or 29							
3 Gain, if any, from line 26, Part III, on back of this form from other than casualty and theft							
4 Add lines 1 through 3 in column g and column h						<u>(259)</u>	
5 Combine line 4, column g and line 4, column h. Enter gain or (loss) here, and on the appropriate line as follows: (a) For all except partnership returns: (1) If line 5 is a gain, enter the gain as a long-term capital gain on Schedule D. See instruction E. (2) If line 5 is zero or a loss, enter that amount on line 6. (b) For partnership returns: Enter the amount from line 5 above, on Schedule K (Form 1065), line 8.							<u>(259)</u>

Part II Ordinary Gains and Losses

a. Kind of property and description	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expense of sale	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
6 Loss, if any, from line 5(a)(2)						<u>259</u>	
7 Gain, if any, from line 25, Part III on back of this form							<u>300</u>
8 (a) Net gain or (loss) from Form 4684, lines 17 and 24a							
(b) Ordinary gain from installment sales from Form 6252, line 10 or 28							
9 Other ordinary gains and losses (include property held 1 year or less):							
10 Add lines 6 through 9 in column g and column h						<u>(259)</u>	<u>300</u>
11 Combine line 10, column g and line 10, column h. Enter gain or (loss) here, and on the appropriate line as follows: (a) For all except individual returns: Enter the gain or (loss) from line 11, on the return being filed. See instruction F for specific line reference. (b) For individual returns: (1) If the loss on line 6 includes a loss from Form 4684, Part II, column B(ii), enter that part of the loss here and on line 24 of Schedule A (Form 1040). Identify as from "Form 4797, line 11(b)(1)". (2) Redetermine the gain or (loss) on line 11, excluding the loss (if any) on line 11(b)(1). Enter here and on Form 1040, line 15							<u>41</u>

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Form **4797** (1982)

BR001373

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1251, 1252, 1254, 1255

Skip lines 20 and 21 if you did not dispose of farm property or farmland, or if a partnership files this form.

12 Description of sections 1245, 1250, 1251, 1252, 1254, and 1255 property:	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)
(A) <i>Truck</i>	8/78	2/83
(B)		
(C)		
(D)		

Relate lines 12(A) through 12(D) to these columns ▶ ▶ ▶ ▶	Property (A)	Property (B)	Property (C)	Property (D)
13 Gross sales price minus expense of sale	300			
14 Cost or other basis	2000			
15 Depreciation (or depletion) allowed (or allowable)	2000			
16 Adjusted basis, subtract line 15 from line 14	- 0 -			
17 Total gain, subtract line 16 from line 13	300			
18 If section 1245 property:				
(a) Depreciation allowed (or allowable) after applicable date (see instructions)	2000			
(b) Enter smaller of line 17 or 18(a)	300			
19 If section 1250 property: (If straight line depreciation used, enter zero on line 19(f).)				
(a) Additional depreciation after 12/31/75				
(b) Applicable percentage times the smaller of line 17 or line 19(a) (see instruction G.4)				
(c) Subtract line 19(a) from line 17. If line 17 is not more than line 19(a), skip lines 19(d) and 19(e)				
(d) Additional depreciation after 12/31/69 and before 1/1/76				
(e) Applicable percentage times the smaller of line 19(c) or 19(d) (see instruction G.4)				
(f) Add lines 19(b), and 19(e)				
20 If section 1251 property:				
(a) If farmland, enter soil, water, and land clearing expenses for current year and the four preceding years				
(b) If farm property other than land, subtract line 18(b) from line 17; if farmland, enter smaller of line 17 or 20(a)				
(c) Excess deductions account (see instruction G.5)				
(d) Enter smaller of line 20(b) or 20(c)				
21 If section 1252 property:				
(a) Soil, water, and land clearing expenses				
(b) Amount from line 20(d), if none enter zero				
(c) Subtract line 21(b) from line 21(a). If line 21(b) is more than line 21(a), enter zero				
(d) Line 21(c) times applicable percentage (see instruction G.5)				
(e) Subtract line 21(b) from line 17				
(f) Enter smaller of line 21(d) or 21(e)				
22 If section 1254 property:				
(a) Intangible drilling and development costs deducted after 12/31/75 (see instruction G.6)				
(b) Enter smaller of line 17 or 22(a)				
23 If section 1255 property:				
(a) Applicable percentage of payments excluded from income under section 126 (see instruction G.7)				
(b) Enter the smaller of line 17 or 23(a)				
Summary of Part III Gains (Complete Property columns (A) through (D) through line 23(b) before going to line 24)				
24 Total gains for all properties (add columns (A) through (D), line 17)				300
25 Add columns (A) through (D), lines 18(b), 19(f), 20(d), 21(f), 22(b) and 23(b). Enter here and on Part II, line 7				300
26 Subtract line 25 from line 24. Enter the portion from casualty and theft on Form 4684, line 19; enter the portion from other than casualty and theft on Form 4797, Part I, line 3				- 0 -

Part IV Complete this Part Only if You Elect Out of the Installment Method And Report a Note or Other Obligation at Less Than Full Face Value☐ Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation ▶

Enter the percentage of valuation of the note or other obligation ▶

NAME Orbello Chemical Co. Inc. IDENTIFICATION NO. 95-2748321STATEMENT NO. 1 YEAR ENDED 4/20/83SUPPLEMENTARY SCHEDULE FOR CORPORATIONS
COST OF GOODS SOLD

INVENTORY AT BEGINNING OF YEAR	480,965
MERCHANDISE BOUGHT FOR MANUFACTURE OR SALE	13,065,401
SALARIES AND WAGES	
OTHER COSTS (ATTACH SCHEDULE)	
TOTAL	13,546,366
LESS INVENTORY AT END OF YEAR	302,216
COST OF GOODS SOLD	13,044,150

METHOD OF INVENTORY VALUATION

Lower of cost or market

COMPENSATION OF OFFICERS

NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF OFFICER	TITLE	TIME DEVOTED TO BUSINESS	PERCENT OF CORPORATION STOCK OWNED		AMOUNT OF COMPENSATION	EXPENSE ACCOUNT ALLOWANCES
			COMMON	PREFERRED		
John Locke 353-14-6341	Pres	100%	33 1/3		179,541	
Arnold Rosenthal 564-07-2487	V. Pres	100%	33 1/3		98,941	
Robert Berg 549-38-9548	Dir.	5%	33 1/3		24,000	
TOTAL					302,482	

BAD DEBTS - RESERVE METHOD

YEAR	TRADE NOTES AND ACCTS. RECEIVABLE, OUTSTANDING AT END OF YEAR	SALES ON ACCOUNT	AMOUNT ADDED TO RESERVE		AMOUNT CHARGED AGAINST RESERVE	RESERVE FOR BAD DEBTS AT END OF YEAR
			CURRENT YEAR'S PROVISION	RECOVERIES		
1977	921,733	701,170	25,711	-	16,546	17,528
1978	1,140,374	836,856	-	5128	45	22,611
1979	1,817,628	1,200,680	18,885	2608	11,493	32,611
1980	1,898,077	1,446,504	12,155	1435	100,338	36,163
1981	1,944,420	1,601,940	30,275	639	28,189	38,888
1982	1,397,667	1,502,359	62,35	4384	26,554	27,953

TAXES

TAXES		CONTRIBUTIONS	
Ca Franchise Tax	37,197	United Jewish Welfare	500
Procter Tax	5,448	Fullerton Lodge Franchise	175
DMV License	3,435	City of Hope	200
Fuel & Use Tax	1107	Intl. Science Research	750
Business License	825	American Cancer	50
Payroll Taxes	36,543	United Way	25
		Stratton Catholic Federation	50
		Sanra de Springs Fire Dept	30
TOTAL	84,555	TOTAL	1,780

OTHER DEDUCTIONS

EXPLANATION	AMOUNT	EXPLANATION	AMOUNT
Plant Expense	8858	Commissions	187,454
Truck Expense	54,649	Director's Fees	9,000
Auto & Travel	48,075	Insurance	70,420
Salaries & Expenses	4676	Buses & Subs	2,752
Freight Out	247,938	Telephone & Utilities	30,391
Build. Maintenance	46,828	Employee Benefits	51,46
Supplies	9,600		
Outside Lab.	5,970		
Office & Admin. Exp	11,646		
Contract Expenses	37,689		
Professional Services	14,209		
Business Information	43,071	TOTAL	818,372

NAME _____

IDENTIFICATION NO. 95-2748321

STATEMENT NO. 2

YEAR ENDED 4/30/83

		YEAR ENDED		1957-58	
<u>Other Income</u>					
Discounts earned		99			
Demurrage		4,399			
Drums included on bill	128	291			
Freight		753			
Leasing income	10	052			
Salary reimbursement		8,728			
Terminals charges	10	500			
Miscellaneous		38			
		<u>162,860</u>			
<u>Other Current Assets</u>					
Notes Receivable		8,000			
Trade Receivables	13	032			
Employee Advances	15	916			
Prepaid expenses	25	624			
		<u>72,572</u>			
<u>Other Current Liabilities</u>					
Accrued Payroll	113	488			
Accrued Commissions	54	530			
Payroll tax & sales tax payable	3	777			
Income taxes payable	<2	709>			
Term deposits	135	409			
Customer deposits		1,268			
Accrued profit sharing	98	991			
		<u>404,754</u>			

BR001376

Depreciation and Amortization

▶ See instructions on back.
▶ Attach this form to your return.

1982

Name(s) as shown on return

Angeles Chemical Co. Inc.

Identifying number

95-2748321

NOTE: California has not adopted the Federal Accelerated Cost Recovery System (ACRS).

Part I Depreciation

A. Description of property	B. Date acquired	C. Cost or other basis	D. Depreciation allowed or allowable in earlier years	E. Method of figuring depreciation	F. Life or rate	G. Depreciation for this year
1 Total additional first-year depreciation. See instructions for limitation. Do not include below.						<i>1871</i>
2 Other depreciation (see instructions):						
<i>Office trailers</i>	<i>Various</i>	<i>94920</i>	<i>45855</i>	<i>200DB</i>	<i>7YRS</i>	<i>13896</i>
<i>Trucks + Trailers</i>	<i>Various</i>	<i>54494</i>	<i>24316</i>	<i>SL</i>	<i>3YRS</i>	<i>14382</i>
<i>✓ Cars</i>	<i>475</i>	<i>12190</i>	<i>12190</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>✓ Trucks + Trailers</i>	<i>1982</i>	<i>9644</i>	<i>37</i>	<i>SL</i>	<i>3YRS</i>	<i>2294</i>
<i>Trucks + Trailers</i>	<i>7/77</i>	<i>1254</i>	<i>1254</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>Truck - used 1/83</i>	<i>1982</i>	<i>86683</i>	<i>—</i>	<i>SL</i>	<i>5YRS</i>	<i>11497</i>
<i>Trucks + Plant Equip.</i>	<i>Various</i>	<i>74245</i>	<i>36159</i>	<i>SL</i>	<i>7YR</i>	<i>7370</i>
<i>✓</i>	<i>✓</i>	<i>126364</i>	<i>10308</i>	<i>200DB</i>	<i>9YR</i>	<i>25790</i>
<i>Turn. + Equipment</i>	<i>Various</i>	<i>38928</i>	<i>10871</i>	<i>SL</i>	<i>7YR</i>	<i>4086</i>
<i>✓ - used 11/82</i>		<i><25417</i>	<i><13327</i>			
<i>Plant Equip.</i>	<i>Various</i>	<i>293975</i>	<i>223429</i>	<i>200DB</i>	<i>9YR</i>	<i>15706</i>

3 Total. Enter here and on Schedule C-E-F (Form 540), page 2, Column (2); or on the Depreciation line of your return

96892

Part II Amortization of property

A. Description of property	B. Date acquired	C. Cost or other basis	D. Amortization allowed or allowable in earlier years	E. Code section	F. Amortization period or percentage	G. Amortization for this year

Total. Enter here and on the Other deduction line of your return

CHARLES B. STARK, JR.
A PROFESSIONAL CORPORATION
150 POST STREET, SUITE 750
SAN FRANCISCO, CALIFORNIA 94108
(415) 391-0152

October 31, 1986

Mr. John G. Locke
President
Angeles Chemical Co., Inc.
8915 Sorensen Avenue
P. O. Box 2163
Santa Fe Springs, California 90670

Re: Angeles Chemical Co., Inc.
54,209 Shares of Common Stock
Fair Market Value
As of April 30, 1986

Dear Mr. Locke:

Pursuant to your request of July 29, 1986, we have conducted a valuation study to determine the fair market value of the 54,209 shares of Common Stock of Angeles Chemical Co., Inc. ("Anchem" or the "Company") issued and outstanding as of April 30, 1986. The fair market value of the subject shares was as follows:

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Market Value</u>
54,209 Shares of Common Stock consisting of 40,000 Shares of Class A and 14,209 Shares of Class B Common Stock (the "Stock")	\$48.20	\$2,600,000 (rounded)

This Valuation Report sets forth and discusses the various factors which were researched, analyzed and considered in arriving at our opinion of the fair market value of the Stock as of April 30, 1986. Our verbal opinion was transmitted to you on August 28, 1986. This report represents the written confirmation.

ANGELES CHEMICAL CO., INC
Valuation Report
54,209 Shares of Common Stock
(\$10 par value)
As of April 30, 1986

Angeles Chemical Co., Inc.
54,209 Shares of Common Stock
Fair Market Value as of April 30, 1986

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CHARLES B. STARK JR.
A PROFESSIONAL CORPORATION
180 POST STREET, SUITE 780
SAN FRANCISCO, CALIFORNIA 94108
(415) 391-0182

October 31, 1986

Mr. John G. Locke
President
Angeles Chemical Co., Inc.
8915 Sorensen Avenue
P. O. Box 2163
Santa Fe Springs, California 90670

Re: Angeles Chemical Co., Inc.
54,209 Shares of Common Stock
Fair Market Value
As of April 30, 1986

Dear Mr. Locke:

Pursuant to your request of July 29, 1986, we have conducted a valuation study to determine the fair market value of the 54,209 shares of Common Stock of Angeles Chemical Co., Inc. ("Anchem" or the "Company") issued and outstanding as of April 30, 1986. The fair market value of the subject shares was as follows:

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Market Value</u>
54,209 Shares of Common Stock consisting of 40,000 Shares of Class A and 14,209 Shares of Class B Common Stock (the "Stock")	\$48.20	\$2,600,000 (rounded)

This Valuation Report sets forth and discusses the various factors which were researched, analyzed and considered in arriving at our opinion of the fair market value of the Stock as of April 30, 1986. Our verbal opinion was transmitted to you on August 28, 1986. This report represents the written confirmation.

Introduction and Background

The data upon which we have relied in forming our opinion regarding the fair market value of the Common Stock of Anchem is outlined in Exhibit A. The comparative financial statements which set forth the most recent five-year operating history (fiscal April 30, 1982 - 1986) of the Company are presented as follows:

Table I: Balance Sheet, April 30, 1986

Table II: Income Statement, 1982- 1986

Table III: Balance Sheet, 1982- 1986

Table IV: Changes in Financial Position 1982- 1986

These tables have been analyzed to understand the reported results of the Company.

In our analysis of Anchem, we have also analyzed certain data from McKesson Corporation. The Chemical Group, including McKesson Chemical Company, is the largest independent chemical distributor in the United States, distributing industrial chemicals to customers located throughout the continental United States.

Distributors such as McKesson Chemical sell about \$19 billion of chemicals a year. The Chemicals Group reported revenues of approximately \$619 million in fiscal 1986, or 3.3% of industry sales. McKesson Chemical is a direct competitor of Anchem. It is the nation's leading independent full-line chemical distributor with 61 service centers, 18 stockpoints and three production

repack facilities, serving all 50 states. Certain market ratios for McKesson were used as supporting data in our valuation of Anchem.

"The long-term outlook for the national chemical distributor market continues to be positive. Distributors' share of the total \$90 billion U.S. chemical market continues to grow, increasing to over 20% in 1985. That share is expected to continue to rise to as much as 30% in the 1990's. Well-capitalized distributors like McKesson Chemical will be better able than most competitors to meet increasingly stringent environmental compliance standards."

McKesson Corp., 1985 Annual Report, P. 24

McKesson Corp recently agreed to sell its chemical distribution business for a price of \$76 million (see Alternate Valuation Approaches).

Book Value of the Stock and
Financial Condition of the Company

(a) Book Value of the Stock

As of April 30, 1986, Anchem had a book value of \$2,045,853 or approximately \$37.74 per share. Management has indicated that the value of the two principal fixed assets (1) tanks and plant equipment and (2) plant should be increased by \$250,000 and \$50,000 over cost, respectively, to reflect the fair market value of these assets. Therefore, the adjusted book value would be \$2,345,853, or approximately \$43.27 per share.

(b) Financial Condition of the Company

The Company was in a strong financial condition as of April 30, 1986. Anchem had current assets of \$2,906,416 and current

liabilities of \$1,239,759, for a working capital of \$1,666,657 and a current ratio of 2.34 to 1.00. The Company had a cash position of \$490,713 of which \$450,000 was in a Certificate of Deposit. Anchem had no long term debt outstanding. The Treasury Stock Account stood at \$304,174.

Table I sets forth the Company's balance sheet as of April 30, 1986.

ANGELES CHEMICAL CO., INC.
BALANCE SHEET
UNAUDITED
APRIL 30, 1984

ASSETS

CURRENT ASSETS		
PETTY CASH	\$ 300.00	
CASH IN BANK	35,542.33	
CASH IN MONEY MARKET	4,869.99	
CERTIFICATE OF DEPOSIT	450,000.00	
P.A.R. FUND	414,809.01	
ACCOUNTS RECEIVABLE	\$ 1,302,377.23	
ALLOW. FOR DOUBTFUL ACCTS.	(18,883.69)	
NET RECEIVABLES	1,283,493.54	
ACCTS. REC. - STALLION	2,036.50	
EMPLOYEE ADVANCES	125.00	
INVENTORY - CHEMICALS	496,123.29	
INVENTORY - PACKAGING	87,241.62	
INVENTORY - DRUMS	9,585.00	
INVENTORY - GASOLINE	4,347.25	
PREPAID PROPERTY TAXES	1,515.92	
PREPAID INSURANCE	104,044.20	
PREPAID CONSULTANT FEES	9,583.33	
TOTAL CURRENT ASSETS		\$ 2,906,412.38
FIXED ASSETS - AT COST		
OFFICE TRAILER	98,289.62	
TRUCKS & AUTOS	242,837.03	
TANKS & PLANT EQUIPMENT	249,512.90	
FURNITURE & FIXTURES	151,700.74	
CONSTRUCTION IN PROCESS	39,743.50	
PLANT	307,444.48	
TOTAL FIXED ASSETS	1,089,788.27	
LESS: ACCUMULATED DEPRECIATION	(718,467.93)	
NET FIXED ASSETS		371,082.34
OTHER ASSETS		
DEPOSITS	5,619.00	
DEPOSITS - DRUMS	2,494.00	
TOTAL OTHER ASSETS		8,113.00
TOTAL ASSETS		\$ 3,285,612.42

SEE ACCOUNTANTS COMPILATION REPORT

ANGELES CHEMICAL CO., INC.
BALANCE SHEET
UNAUDITED
APRIL 30, 1984

LIABILITIES AND CAPITAL

CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 1,118,752.83	
ACCURED PAYROLL	8,714.24	
ACCURED COMMISSIONS	32,624.46	
SALES TAX PAYABLE	8,251.06	
INCOME TAXES PAYABLE	(87,592.08)	
DRUM DEPOSITS	131,916.00	
PALLET DEPOSITS	380.00	
CUSTOMER DEPOSITS	7,131.00	
EMPLOYEE BENEFIT & WELFARE	(59.88)	
ACCURED PROFIT SHARING	(482.33)	
TOTAL CURRENT LIABILITIES		\$ 1,329,759.27
CAPITAL		
CAPITAL STOCK - \$10 PAR VALUE		
1,000,000 SHS. AUTHORIZED		
34,209 SHS. ISSUED & OUTSTANDING	5,428.90	
PAID IN CAPITAL	112,650.30	
RETAINED EARNINGS - BEGINNING	2,092,380.39	
STOCK REDEEMED	(304,174.20)	
NET INCOME OR (LOSS)	139,273.67	
RETAINED EARNINGS		1,927,781.79
TOTAL CAPITAL		2,045,852.49
TOTAL LIABILITIES & CAPITAL		\$ 3,285,612.42

SEE ACCOUNTANTS COMPILATION REPORT

BR001385

Income Statement

a. Reported Results

A comparative presentation of the Company's income statement for fiscal years (April 30) 1982 - 1986 appears at Table II on page 8.

Sales have ranged from \$16,011,940 in 1982 to \$12,128,720 in 1986 with a 10.3% dip from \$13,519,928 in 1985. Gross margins have averaged 14.9%. Anchem is projecting sales and gross margins for fiscal 1987 to be "flat" or equal with 1986.

Income before taxes has fluctuated from \$386,022 in 1982 to \$271,557 in 1984 to \$413,846 in 1985 reflecting the cyclical nature of the business. Fiscal 1983 results included a recognition of \$158,361 for drum deposits which had been previously expensed. Net income after taxes for 1986 was \$139,576, which was considerably below the five-year average of \$197,818. The reported results for Anchem for 1982- 1986 follow the pattern of companies involved in the wholesale distribution of chemical products.

b. Restated Results

In order to arrive at a more representative earnings/cash flow picture of the Company, we have restated the reported results to arrive at a "Cash Flow Available Before Taxes." This calculation appears at the bottom of Table II.

We have arrived at these figures by adding back (1) provision for taxes to arrive at (2) net income before taxes to which

we have added (3) profit sharing and (4) depreciation expenses.

The cash flow available to Anchem before taxes ranged from between \$450,186 in 1984 to \$602,088 in 1985. The 1986 figure of \$411,661 was close to the \$450,186 recorded in 1984. The five year average was \$514,757.

Comparison of 82,83,84,85,86	7 Ending	Year Ending	Year Ending	Year Ending	Year Ending
INCOME STATEMENT	April 30, 82	April 30, 83	April 30, 84	April 30, 85	April 30, 86
Sales	14811940.00	15823595.00	14455259.00	13519920.00	12128720.21
Cost of Sales	13975579.00	13844150.00	12397200.00	11295488.00	9909444.83
Gross Margin	2836361.00	1979445.00	2058059.00	2224432.00	2219275.38
Oper. Expense					
Inventory Loss					
Adm Salaries	238327.00	302483.00	304113.00	284400.00	267592.00
Plant Wages	122363.00	119314.00	123125.00	125400.00	192919.45
Sales Wages	127861.00	146633.00	133626.00	154574.00	183889.77
Office Wages	95242.00	102943.00	98847.00	82924.00	91240.19
Plant Expense	12954.00	8850.00	11384.00	18960.00	14553.33
Lab. Expense			50.00	0.00	297.00
Truck Expense	57173.00	34649.00	38984.00	49437.00	24752.00
Auto & Travel	38654.00	48873.00	49255.00	48158.00	43885.00
Sales Expense	2959.00	4674.00	7138.00	7848.00	8538.00
Frt. out Angeles	211817.00	282447.00	204164.00	192481.00	192315.00
Frt. out LAS	12866.00	45291.00	48413.00	37985.00	21488.00
Drum Maintenance	52270.00	46829.00	114170.00	127882.00	124819.00
Tank Testing					2364.00
Repairs & Maint	24355.00	17876.00	15821.00	23644.00	17677.00
Printing Prep Exp					15689.00
Supplies	7767.00	9488.00	4722.00	15964.00	19493.00
Supplies-Lab			638.00	1137.00	1813.00
Outside Labor	1384.00	5978.00	5894.00	18930.00	18423.00
Equipment Rents	548.00		67.00	0.00	4345.00
Rent	46887.00	72880.00	72880.00	72880.00	82880.00
Office Supplies	14398.00	6634.00	7347.00	6481.00	6886.00
Gen'l & Adm. Exp	4375.00	5812.00	13892.00	14571.00	16856.00
Computer Expense	32329.00	37689.00	37678.00	28574.00	8942.00
Prof. Expense	14684.00	14209.00	29778.00	38495.00	43588.00
Taxes & License	11782.00	18815.00	22297.00	19543.00	18814.00
Payroll Taxes	34326.00	38543.00	38738.00	29532.00	33669.00
Business Prom.	41777.00	43871.00	32815.00	39846.00	41537.00
Advertising	12712.00	17398.00	11435.00	7880.00	8977.00
Commissions	138798.00	88376.00	78888.00	181888.00	78148.00
Commissions LAS	35451.00	118878.00	135662.00	158193.00	164531.00
Directors Fees	9880.00	9880.00	9880.00	9880.00	9880.00
Donations	1414.00	1788.00	1296.00	888.00	1135.00
Insurance	54384.00	51982.00	41552.00	44847.00	85824.00
Station Ins.Pd	0.00				
Workers Comp.In	3776.00	3282.00	3147.00	6724.00	6768.00
Group Insurance	9932.00	15157.00	23983.00	38984.00	28989.00
Officer Life In	844.00				
Dues & Subscript	3093.00	2752.00	3823.00	2849.00	5912.00
Utilities	4444.00	5821.00	7361.00	8584.00	9237.00
Telephone	17946.00	24578.00	24828.00	29389.00	31756.00
Depreciation Exp	58487.00	94892.00	95888.00	95438.00	185487.00
Misc. Expenses			152.00	450.00	149.00
Throughput Chg.Pd.	0.00		537.00		
Empl. Med. Ben.	3888.00	5146.00	5644.00	7917.00	14167.00
Penalties	0.00		375.00	0.00	745.00
Bad Debts	38876.00	4234.00		0.00	
Profit Sharing	92451.00	99755.00	82829.00	92884.00	71688.00
Total Op. Exp.	1726582.00	1848232.00	1947965.00	1993785.00	2126462.74
Operating Income	389859.00	131213.00	118885.00	238542.00	82794.14
Other Income					
Purchase Direct.	396.00	99.00	112.00	2819.00	2731.00
Drums incl/Sld.					
Drumg. Exp to Co	3512.00	4399.00	4514.00	3385.00	4712.00
Delivery Freight					
Interest Income	51748.00	45593.00	45228.00	48141.00	37837.00
Dividend Income					14378.00
Leasing Income				95845.00	
Labor Reimburs.					
Misc. Income	25853.00	158367.00	86325.00		121515.00
Sale of Assets		42.00	5293.00	4894.00	-668.00
Terminating Chg				118888.00	
Total	81241.00	228494.00	161472.00	224384.00	179497.00
Other Expense					
Interest Expense	5878.00	444.00		12250.00	
Consultant Exp.				28758.00	47917.00
Total				41008.00	47917.00
Net Income					
Before Taxes	384822.00	359243.00	271557.00	413846.00	214574.14
Prov. for Taxes	150103	143733	94401	183198	34978
Net Income	235,715	215,511	177,156	230,648	139,576
Cash Flow Available					
Before Taxes (incl/whl)	553,940	555,890	450,196	602,088	411,661
% Gross margin	24.22	28.02	21.92	23.12	33.92

Balance Sheets

A comparative presentation of the Company's balance sheets for fiscal years (April 30) 1982 - 1986 appears at Table III on pages 10 - 12.

Total assets have grown from \$2,984,728 in 1982 to \$3,285,612 in 1986. Stockholders' Equity (Total Capital) has increased from \$1,466,441 to \$2,350,027 (including Treasury Stock of \$304,174) in the same time frame for an average increase of 14.0% per year (12.5% compounded annually).

Working capital has increased from \$1,172,440 in 1982 to \$1,666,657 in 1986, while the current ratio has improved from 1.77 to 2.34. The cash position of the Company has increased significantly from \$200,296 in 1982 to \$490,713 in 1986. The Company had a Certificate of Deposit in the amount of \$450,000 in 1986.

The Company has had no long term debt in the last five years. The balance sheet picture of Anchem has been strong in these past five years.

TABLE III

Comparison of

	Year Ending	Year Ending	Year Ending	Year Ending	Year Ending
Balance Sheets	April 30, 82	April 30, 83	April 30, 84	April 30, 85	April 30, 86
<u>Assets</u>					
<u>Current Assets</u>					
Petty Cash	200	200	200	300	300
Cash in Bank	96,700	48,185.86	30,694	48,774	35,543
Cash in Savings		3,988	4,234	4,582	4,870
Cert. of Deposit	200,000	800,000	600,000	475,000	450,000
P.A.R. Fund					41,488.9
Accts Receivable	194,442.0	139,766.7	169,621.0	162,114.3	130,237.7
Less Alw. for					
Doubtful Acct	3,948.9	2,795.3	-4,481.9	-4,927.2	-1,680.4
Net Receivable	190,493.1	136,971.4	165,139.9	157,187.1	128,549.3
Notes Receivable	4,460	8,000			
Accts. Rec., Other					
Stallion Tank	11,372	13,032	16,910	10,792	2,837
All other	3,783.4				
Employee Advance	2,650	1,591.6	2,110	5,559	125
Inventory-Chem.	459,945	482,789	501,400	579,422	496,123
Inventory Pkg.				23,010	8,724.1
Inventory-Drugs	12,834	14,119	12,627	14,780	9,585
Inventory-Gas	8,186	5,389	9,834	10,339	4,347
Prepaid Prop. Tax	744	930	929	1,540	1,516
Prepaid Ins.	47,865	34,685	30,215	52,932	104,044
Dep. on Equipmt.	411			2,250	
Prepaid Cons Fee					9,583
Tot. Curr. Asset	269,072.8	279,671.5	286,055.3	280,116.7	290,641.6

TABLE III Cont'd

Fixed Assets

(At Cost)

Office Trailer	94899	94928	94928	97811	98298
TRUCKS And Autos	61981	162266	175784	268838	242837
Tanks & Pint Eq.	174238	288689	288769	225425	249513
Furn. & Fixtures	24837	36337	127393	134623	151781
Plant	293975	293975	13571	286982	397666
Const. in Process			293975	24613	387644
Total Fixed Asset	658322	788187	914332	1829412	1889751
Less:					
Accum. Depr.	364428	457979	552672	629874	718668
Net Fixed Assets	293894	330208	361660	488338	371883
Other Assets					
Deposits	6139	6139	6139	6139	5619
Deposits - Drums	1959	2384	1984	2364	2494
Total Other Asset	8098	8523	8123	8503	8113
Total Assets	2984728	3135286	3238336	3218888	3285612

TABLE III Cont'd.

Liabilities					
Current Liab.					
Accounts Payable	1168617	1849686	1887666	1115884	1118753
Accrued Payroll	158328	113487	135244	5543	8714
Accrued Commn.		54538	77512	34718	32654
Sales Tx Payable	4245	3833	8885	6925	8351
Income Tx Payabl	-137161	-2789	-53331	68888	-87592
Payroll Tx Paybl		-54	-8	-2914	-8
Drum Deposits	239548	135489	111550	139858	151918
Customer Deposit	1268	1268	82488	2828	7131
Ln. Pybl. Crocker			1928		
Accr. Profit Shrg.	99451	98991	82400	3511	-482
Empl. Ben. & With					-68
Tot. Curr. Liabl.	1518288	1454359	1378474	1374345	1239759
Long-Term Liabl.					
Ln. Pybl. Crkr.					
Capital					
Capital Stock	6888	6888	6888	5274	5421
Paid-in-Capital				42184	112658
Ret. Earng. Begin.	1224527	1463411	1478423	1854625	2892388
Net Income	235914	211513	175448	237755	139576
Ret. Earng. End	1460441	1674924	1653869	2092380	2231956
Tres. Stk.				-384174	-384174
Total Capital	1466441	1688924	1859865	2,150,027	2,645,853
% Increase	19.72	14.62	10.62	15.11	9.82
Total Liability					
& Capital	2984729	3152883	3238337	3218869	3285612
Working Capital	1,172,440	1,342,356	1,440,079	1,426,822	1,662,657
Current Ratio	1.77	1.92	2.09	2.04	2.34

Changes in Financial Position

A comparative presentation of the Company's Changes in Financial Position for fiscal years (April 30) 1982 - 1986 appears at Table IV on page 14.

The total source of funds available to Anchem after taxes has fluctuated from \$276,877 in 1984 to \$324,795 in 1985. The five-year average has been \$294,686, while the median figure has been \$312,422 (1983) for 1982 through 1986.

In our Income Statement/ Restated analysis which appears on pages 6 and 7, we have presented what we believe is a more representative earnings/cash flow picture of the Company. Please refer to that analysis in conjunction with our presentation of "Changes in Financial Position" for Anchem from 1982 to 1986.

Certain financial ratios are set forth at the bottom of Table IV presenting both before and after tax figures and percentages.

TABLE IV

Comparison of 82,83,84,85,86 Chng in Fin Pos.	Year Ending April 30, 82	Year Ending April 30, 83	Year Ending April 30, 84	Year Ending April 30, 85	Year Ending April 30, 86
Sources of Funds					
Net Income	235914.00	211513.00	175446	226650	139576
Items not Req. Working Captl.					
Depreciation	58487.00	94892.00	95000	100259	90436
Other Sources					
Drum Deposits	136	55	340		
Tx Rfnd-Prior Yr.		2704	3498	743	4935
Sale Of Assets		1250	1799	-2077	9712
Capital Stock					147
Total Source Fnd	304537	312422	276877	324795	254800
Application Fnds					
Eng:Trm-Obt-Decr:					
Purch. of Assets	180624	142374	129133	132735	62211
Increase in Dep.	234	400	20	300	-390
Treasury Stock				304980	-00
Paid in Capital					-112650
Tot. Application Of Funds	180858	142774	129153	438103	-30917
Incr. or Decr. In Wrkg. Captl.	123679	169648	147724	-113300	205717
Changes in Wrkg. Captl. Incr.+ Decrease					
Cash	-201632	653577	-213200	-112507	360909
Accounts Recvbl.	91423	-572852	201605	-79520	-206370
Notes Recvbl.	4460	3540	-0000		
Employee Advncc.	-1274	13266	-13005	3440	-5434
Inventories	35032	-21252	-21645	-103609	-30254
Prepaid Exp.	16069	-13396	-4400	25594	50406
Accounts Payable	-2930	111011	41941	-112309	-2940
Accrued Payroll	-0924	-17690	-44730	172502	-1115
Payroll & Sls Tx Payable	3707	460	-4220		
Income Tx Paybl.	-209033	-134110	50622	3993	-4339
Drum Deposits	-13537	104130	23059	-146029	100290
Customer Deposits	122		23059	-20300	-12440
Empl. Benefit Mf			-160	-1400	-4303
Loan Pybl. Crockr					60
Accrued Profit					
Sharing	-17395	461	16590	57620	25263
Incr. or Decr. In Working Captl.	123670	169649	147723	-113309	205717
Total Capital	1,466,441	1,690,924	1,859,863	1,959,863	1,935,664
Net Income % Total Capital	16.0%	12.6%	9.4%	12.2%	7.6%
Cash Flow AT % Total Capital	304,537 20.8%	312,422 18.6%	276,877 14.9%	324,795 17.5%	254,800 13.9%
Cash Flow BT % Total Capital	553,960 32.8%	555,890 35.1%	450,186 24.2%	602,002 32.4%	411,661 22.4%

Alternate Valuation Approaches

In arriving at our valuation of \$48.20 per share, or \$2,600,000 for the 54,209 shares of Common Stock of Angeles Chemical Co., Inc. issued and outstanding as of April 30, 1986, we used several valuation approaches.

(1) Earning Capacity

For the fiscal year ended April 30, 1986, Anchem reported net income of \$139,576. For the fiscal years ended April 30, 1982, to April 30, 1986, Anchem reported average net income of \$198,161. Our valuation of \$2,600,000 results in a price/earnings ratio of 13.2 times earnings. This price/earnings ratio is in line with the public chemical (suppliers, distributors and/or specialty) companies which we analyzed for comparison. (See Exhibit A at page 19.)

(2) Cash Flow Available

For the fiscal year ended April 30, 1986, Anchem had reported after-tax cash flow of \$254,800. For the five-year period of 1982 - 1986, the average cash flow was \$294,686 and the median figure was \$304,537. Our valuation of \$2,600,000 results in after-tax cash flow ratios of 10.2 and 8.5 times (based upon latest year and median figures, respectively).

For the fiscal year ended April 30, 1986, Anchem had "adjusted" before-tax cash flow of \$411,661. For the five-year period of 1982- 1986, this average cash flow was \$514,757, and the median figure was \$553,960. Our valuation of \$2,600,000

results in pre-tax cash flow ratios of 6.3 and 4.7 times (based upon latest year and median figures, respectively).

(3) Market Price as a Percentage of Book Value

As of April 30, 1986, Anchem had a book value (Stockholders' Equity or Total Capital) of \$2,045,853, or approximately \$37.74 per share. Since book value is only an accounting technique used to ascribe an historical value to a corporation, it may or may not bear any relationship to its market value. (See Table I.) Our valuation of \$2,600,000 results in a market-to-book-value ratio of 127%.

(4) Market Price as a Percentage of Adjusted Book Value

As of April 30, 1986, Anchem had an adjusted book value of \$2,345,853, or approximately \$43.27 per share. (See discussion on page 3 for adjustments.) Our valuation of \$2,600,000 results in a market-to-adjusted-book-value ratio of 110%.

(5) Subsequent Event: Univar Corp. Acquisition of McKesson Chemical Division

On September 22, 1986, McKesson Corp. agreed to sell its chemical distribution company to Univar Corp., another company involved in chemical distribution, for a price of \$76 million. McKesson's chemical distribution operations reported operating income of \$6.9 million on sales of \$619 million in its fiscal year ending March 31, 1986. The \$76 million purchase price for a controlling interest represents approximately 11 times operating income. If this multiple is applied to Anchem's five-year av-

(12.89x)
release

verage pre-tax income of \$329,000, a valuation of \$3,619,000 results. A 25% discount to recognize the minority interest nature of the ESOP shares results in a value of \$2,714,250.

Conclusion

It is our opinion, formed after considering the data referred to in Exhibit A, and other relevant factors, that the fair market value of 54,209 shares of Common Stock of Angeles Chemical Co., Inc. as of April 30, 1986, was \$48.20 per share of Common Stock, or \$2,600,000 in the aggregate.

Very truly yours,

CHARLES B. STARK, JR.
A Professional Corporation

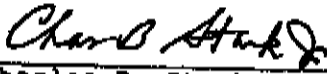

Charles B. Stark, Jr.
President

Exhibit A

Angeles Chemical Co., Inc.
Data Reviewed in Valuation
of Common Stock as of April 30, 1986

Angeles Chemical Co., Inc. Data:

Financial Statements (1982- 1986) (unaudited)
Prepared by Archer, Bulmahn & Co., CPA's (1975 - 1983)

Comparative Financial Statements (1982 - 1986) (unaudited)
Income Statements
Balance Sheets
Changes in Financial Condition (Cash Flow)

Meeting on September 23, 1983, in Oakland with John G. Locke
and Robert Berg to discuss Company

Telephone conversations with Locke and Ronald Bell

Inspection of Anchem facilities on July 15, 1980 (Polaroid
pictures) and meeting with shareholders Robert Berg, John
Locke and Robert Rosenthal

Financial Services and Industry Data

The following financial services, which include data on certain
suppliers, competitors, and/or customers, were reviewed for the
purpose of selecting the appropriate market valuation criteria
to apply to the financial results of Anchem:

Moody's (Wholesale, Distributors and Jobbers)
Industrial
OTC Industrial

Standard and Poor's Corporation
Stock Guide as of April 30, 1986
Stock Reports

Value Line
Chemical (Basic) Industry
Chemical (Specialty) Industry

Walker's Manual of Western Corporations (Chemicals)

McKesson Corp.
(The Chemical Group-- McKesson Chemical)
March 31, 1986, Annual Report and Form 10-K

Various publications re the chemical distribution industry and business outlook for the economy (the effects of recession, inflation, high fuel prices, credit controls and other external factors)

Public Chemical (suppliers, distributors and/or specialty)
Companies reviewed for market valuation data:

Suppliers - Chemical (Basic) Industry

Celanese Corp.

Diamond Shamrock

Union Carbide

Vulcan Materials

"Comparables" - Chemical (Distributors)

McKesson Corp.

Univar Corp.

Customers - Chemical (Specialty Industry)

Economics Laboratory

Grow Group

Products Research and Chemical Corp.

Reichhold Chemicals

Sherwin Williams

Witco Corp.

